

EXHIBIT A





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Rule 408 Communication: For Settlement Purposes Only

October 10, 2022

VIA FIRST CLASS U.S. & INTERNATIONAL MAIL and EMAIL:

Stavatti Aerospace, LTD
c/o The Corporation
3670 El Camino Drive
San Bernardino, California 92404

Stavatti Aerospace, LTD
c/o Registered Agents, Inc.
30 North Gould Street, Suite R
Sheridan, Wyoming 82801

Stavatti Immobiliare, LTD
c/o Registered Agents, Inc.
30 North Gould Street, Suite R
Sheridan, Wyoming 82801

Stavatti Niagara, LTD
c/o David P. Flynn - Phillips Lytle LLP
One Canalside – 125 Main Street
Buffalo, New York 14203-2887
DFlynn@phillipslytle.com

Stavatti Niagara, LTD
c/o John R. Simon – Registered Agent
3845 Tonawanda Creek Road
East Amherst, New York 14051

Stavatti Super Fulcrum, LTD
c/o Registered Agents, Inc.
30 North Gould Street, Suite R
Sheridan, Wyoming 82801

Stavatti Industries, LTD
c/o Registered Agents, Inc.
30 North Gould Street, Suite R
Sheridan, Wyoming 82801

Stavatti Ukraine
c/o Mikhailo Satanivskyi - Director
Kyivs'ka Street 4, Suite 217
Vinnytsia Oblast, Ukraine, 21000

Stavatti Corporation
c/o Christopher R. Beskar – Registered Agent
1061 Tiffany Drive
Eagan, Minnesota 55123-1877

RE: Valentino Dimitrov vs. Stavatti Entities re: Investment Repayment:
Demand for Repayment on \$1 Million Investor Note

Dear All Stavatti Entities and Registered Agents,

Be advised this firm has been retained to represent Valentino Dimitrov (“Mr. Dimitrov”) in the above-referenced matter. This correspondence is being sent to provide you with our formal demand for the improperly retained investment funds at issue and as formal written notice that the actions taken by the respective addressees give rise to numerous legal liabilities, including, but not limited to, breach of contract, fraud, conversion, and unjust enrichment. Accordingly, should this demand be ignored, your lack of response and/or action in accordance with the terms of this formal demand will lead to an embroiled protracted litigation wherein all Stavatti entities and their

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respective corporate agents will be sued for any and all outstanding legal liabilities and claims not limited to those enumerated herein. Furthermore, we will pursue any and all attorneys' fees permissible under the law.

BACKGROUND FACTS

Stavatti Aerospace, LTD, and all other Stavatti entities (collectively "Stavatti), regularly outwardly seek investors under the guise of funding their multiple perceived business ventures within the aerospace industry. Likewise, Valentino Dimitrov invested \$1,000,000 cash with Stavatti Aerospace, LTD as an angel investor and entered into a Promissory Note ("Agreement") with Stavatti for repayment of that investment on or before May 1, 2022. *See* Stavatti Promissory Note attached hereto as **Exhibit A**. As an angel investor, Dimitrov was presented with a Business Capitalization Structure with Stavatti Super Fulcrum outlining five times the return on investment on a quarterly basis, however this promised ROI was never realized. Stavatti has never returned any of the capital loan by Dimitrov and are currently in breach of the terms pursuant to the Agreement and have never provided Dimitrov adequate assurances as to Stavatti's liquidity or intent to repay Dimitrov under the terms of the Agreement. *See* Stavatti SM-29E Super Fulcrum Confidential Private Placement Memorandum attached hereto as **Exhibit B**. As a result, on numerous occasions Dimitrov has requested an immediate return of his investment, totaling approximately \$1,000,000 from Stavatti Aerospace, LTD to be repaid.

On June 4, 2022, Dimitrov received email correspondence from Brian D. Colvin, President, Chairman, and CEO of Stavatti, affirming his understanding of Stavatti's delinquency in repaying Dimitrov's owed funds and attaching a status report outlining additional investment opportunities they were waiting to receive a return on in order to repay Dimitrov's owed funds. This outline provided a timeline for repayment to Dimitrov. *See* email correspondence dated June 4, 2022, from Brian D. Colvin attached hereto as **Exhibit C**.

On June 30, 2022, Dimitrov received additional email correspondence from Brian D. Colvin stating his understanding of being "one day away" from their agreed-upon deadline for returning Dimitrov's funds to him, however notified him they would not be able to meet said deadline. Colvin again listed a series of investment opportunities he assured Dimitrov would "come in" and produce that capital that would allow him to repay Dimitrov his principal payment of \$1,000,000. Colvin provided Dimitrov a one page "Teezer" [sic] that he advised "went out to market" of which he was confident would soon produce the needed capital. Lastly, Colvin not only assured Dimitrov that upon receipt of this supposed capital from the listed additional investment opportunities that he would be repaying his principal payment of \$1,000,000, but also assured Dimitrov payment on his profit participation once they were able to start their project. *See* email correspondence dated June 30, 2022, from Brian D. Colvin attached hereto as **Exhibit D** and Stavatti's Teaser dated June 2022 attached hereto as **Exhibit E**.

Additionally on June 30, 2022, Dimitrov received an additional email correspondence from "Rudy," who is upon information and belief, is Rudy Chacon, President of Superior, Inc., an entity offering accounting and advisor services, stating he had spoken with Brian D. Colvin regarding the status "of the Stavatti Loan" advising one of Stavatti's investment opportunities received "two brokerage firm response 17 million each" [sic] and believed the funding would occur within the

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next week, however stated the investor would not provide a firm date. Despite this assurance from Rudy of Stavatti's supposed windfall, Dimitrov did not receive repayment on his \$1,000,000 investment. *See* email correspondence dated June 30, 2022, from Rudy Chacon attached hereto as **Exhibit F**.

On July 1, 2022, Dimitrov received another email correspondence from Brian D. Colvin stating his understanding of Dimitrov's request to see the deposit of the capital he invested with Stavatti Aerospace, LTD. Colvin attached two ledger excerpts from Stavatti's Bank of America checking account statement; the first showing a "Counter Credit" of \$912,500 made on March 1, 2022, and a second "Counter Credit" in the amount of \$100,000 made on April 20, 2022. *See* email correspondence dated July 1, 2022, from Brian D. Colvin attached hereto as **Exhibit G**; and Bank of America Checking Account statements showing "Counter Credit" deposits from March 1, 2022, and April 20, 2022, attached hereto as **Exhibits H** and **I**. Additionally, over the course of the months of delinquency by Stavatti, Colvin has sent numerous text messages to Dimitrov, providing misleading or unsubstantiated claims of upcoming receipt of funds by Stavatti as a result of other Stavatti investors or business dealings, all of which have never come to fruition and were mere statements intended to continue to mislead Dimitrov.

It seems a common business practice of Stavatti Aerospace, LTD, and all Stavatti entities to seek investor funds in order to continue their business practices. Stavatti intends for such business practices are intended to appear to be legitimate to the public and third party investors, yet upon information and belief, are nothing more than a mechanism for the Stavatti founders and corporate executives to operate an entity for their personal benefit. Stavatti not only fails to provide the assured return on investment these capital contributions are supposed to procure for those investing in the business, but also as a practice provides false assurances to said investors of additional investment opportunities they are waiting on to pay out in order to repay said investors, further interfering with the Agreement in place, and further fraudulently inducing investors and the public. However, as it seems, these supposed investment opportunities never quite seem to provide any type of substantial return, therefore causing Stavatti to falter on their contractual agreements with their investors. Additionally, Stavatti Aerospace, LTD is, as stated herein above, involved with the aerospace industry, however, have never produced a single piece of aircraft during their entire span of their incorporated existence. Further, simple cursory searches online reveal multiple articles attesting to Stavatti being a scam, coercing investors into making capital contributions and then never paying out on their assured returns to those investors.

In light of the preceding breakdown of facts, it is this firm's intention, should this matter proceed litigiously, to seek out similarly situated investors to join in this matter so all investors in any Stavatti entity may have an opportunity to seek legal retribution of Stavatti in unison. **It is imperative** that all addressees of this demand understand this firm's intention to proceed on this matter against Stavatti Aerospace, LTD and all Stavatti entities to the fullest extent allowed by law, including, but not limited to, proceeding through a litigious proceeding in court against Stavatti Aerospace, LTD and all known Stavatti entities under class action litigation.

OVERVIEW OF LEGAL CLAIMS

While the previously discussed situation opens numerous legal liabilities to the various recipients of this letter, any and all parties may be named as defendants in a litigious, and potentially class action proceeding and will be held liable for a variety of legal claims, including, but not limited to:

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- Breach of Contract
- Fraud
- Fraud in the Inducement
- Tortious Interference with Contract
- Breach of Implied Covenant of Good Faith and Fair Dealings
- Conversion
- Unjust Enrichment
- Breach of Fiduciary Duty

Valentino Dimitrov has been harmed and damaged in an amount of at least \$1,000,000 by the improper retention of the outstanding amount of his principal investment into Stavatti Aerospace, LTD. Additionally, when filing a litigious proceeding, Dimitrov reserves the right to pursue any and all additional damages related to this matter, including, but not limited to, the tortious conduct enumerated above, and any and all costs and fees related to litigation, including reasonable attorneys' fees.

PRESERVATION OF EVIDENCE

In light of the foregoing, this letter also serves as formal notice of your duty to preserve all documents¹ relating to this claim. Please be advised that the laws and rules prohibiting destruction of evidence apply to electronic data with the same force as applied to other kinds of evidence and because litigation is a viable outcome in this matter, Dimitrov's discovery requests may include access to computers, computer network(s), smartphones, tablets, PDS's, and any other similar devices which are used by Stavatti Aerospace, LTD and any and all Stavatti entities, and any of their employees, agents, or representatives.

Please be advised that my client and I believe that electronically stored information (hereinafter "ESI") is an important and irreplaceable source of discovery and/or evidence in connection with the dispute described above. This includes, but is not limited to, e-mails, instant

¹ The term "**document**" shall be given the broadest meaning allowable under the Federal Rules of Civil Procedure and Evidence and includes without limitation any information stored in any medium from which you can obtain information either directly or, if necessary, after translation into a reasonably usable form. The term "document" therefore includes, but is not limited to, any Electronically Stored Information ("ESI"), as that term is defined in the Rules, electronic mail (**and any attachments thereto**), writings, drawings, graphs, charts, photographs, sound recordings, images, data or data compilations, written, typed, printed, recorded, or graphic matter, however preserved, produced, or reproduced, of any type or description, regardless of origin or location, including without limitation any binder, cover note, certificate, letter, correspondence, record, table, analysis, schedule, report, test, study memorandum, note, list, diary, log, calendar, telex, message (including, but not limited to, inter-office and intra-office communications), questionnaire, bill, purchase order, shipping order, contract, memorandum of contract, agreement, assignment, license, certificate, permit, ledger, ledger entry, book of account, check, order, invoice, receipt, statement, financial data, acknowledgement, computer or data processing card, computer or data processing disk, computer-generated matter, photograph, photographic negative, phonograph recording, transcript or log of an such recording, projection, videotape, film, microfiche, investigations, reports, drafts and revisions of drafts of any documents and original preliminary notes or sketches, no matter how produced or maintained, in your actual or constructive possession, custody or control, or the existence of which you have knowledge, and whether prepared, published or released by you or by any other person.

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messaging, text messages, voice mail messages, and any other electronic communications, word processing documents, spreadsheets, databases, calendars, and telephone logs received electronically by Stavatti Aerospace, LTD and any and all Stavatti entities, and any of their employees, agents, or representatives, collectively.

Therefore, you are hereby given notice to immediately take all steps necessary to prevent the destruction, loss, concealment, or alteration of any paper, document, or electronically stored information, and/or any other data or information generated by and/or stored on Stavatti Aerospace, LTD and any and all Stavatti entities, and any of their employees, agents, or representatives' computers and storage media (e.g. USB's, any external or internal hard drives, solid state hard drives, etc.), and e-mails related to any of the issues identified herein above pertaining to the failure to return Dimitrov's capital investment.

ESI should be afforded the broadest possible definition and includes, but is not limited to, all digital communications (e.g., e-mail, voicemail, text messaging, intranet messaging, internal messaging channels such as WhatsApp, Slack, etc.), word-processed documents (e.g., Word, etc.), spreadsheets and tables (e.g. Excel, etc.), accounting application data (such as QuickBooks files), image and facsimile files (including PDF, TIFF, JPG and GIF images), sound recordings (including WAV, MP3, MP4, and MP5 media files), video recordings, all databases, all contact and relationship management data, calendar and diary application data, online access data (including temporary, Internet files, history, and cookies), all presentations (including PowerPoint), all network access and server activity logs, all data created with the use of any smartphone, all CAD files, and any and all backup and archival files.

Adequate preservation of ESI requires more than simply refraining from efforts to destroy or dispose of such evidence. You must also intervene to prevent loss due to routine operations including routinely scheduled data purges or back-up file deletions and employ proper techniques to safeguard all such evidence. Because hard copies do not preserve electronic searchability or metadata, they are not an adequate substitute of ESI. If information exists in both electronic and paper form, you should preserve them both.

SERVERS

With respect to servers like those used to manage electronic mail and network storage, the entire contents of each user's network shared accounts and e-mail accounts should be preserved and not modified.

STORAGE

With respect to online cloud storage and/or direct access storage devices attached to your firm's mainframe computers and/or minicomputers, in addition to the above, you are not to modify or delete any ESI, "deleted" files, and/or the file fragments existing on the date of this letter's delivery that contain potentially relevant information. Regarding all electronic media used for offline storage, including optical media, electronic media, USB's, any external or internal hard drives, solid state hard drives, and other media or combinations of media containing potentially relevant information, you are requested to stop any activity which may result in the loss of any ESI, including destruction, overwriting, purging, etc. This request is intended to

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cover all media used for data or information storage in connection with your computer systems including USB drives, any external or internal hard drives, solid state hard drives, whether used with computers, online cloud services, smartphones, or other electronic devices.

COMPUTERS

You should take immediate steps to preserve all ESI on all computers used by your officers, staff, employees, representatives, salespersons, directors, agents, contracted workers, temporary staff, or any other personnel. As to fixed devices, (1) a true and correct copy is to be made of all such ESI, including all active files and completely restored versions of all deleted electronic files and file fragments; (2) full directory listings (including hidden directories) on which such fixed devices should be written; and (3) any and all such copies and listings are to be preserved until this litigation is concluded. USB drives, any external or internal hard drives, solid-state hard drives, and other non-fixed media relating to this matter are to be collected and stored pending resolution of this litigation.

PORABLE SYSTEMS

In addition to your immediate preservation of ESI, documents, and tangible items under your control on servers and workstations, you should also determine if any home or portable systems may contain potentially relevant data or information. To the extent that officers, board members, or employees have sent or received potentially relevant e-mails or created or reviewed potentially relevant documents away from the office, you must preserve the contents of systems, devices, and media used for these purposes (including not only potentially relevant data from portable and home computers, but also from portable thumb drives, CD-R disks, smart phones, voice mail boxes, or any other forms of ESI storage). Additionally, if any employees, officers, partners, or directors used online or browser-based e-mail accounts or services to send or receive potentially relevant messages and attachments, the contents of these account mailboxes are to be preserved.

EVIDENCE CREATED OR ACQUIRED IN THE FUTURE

With regards to documents, tangible things, and ESI that are created or come into your custody, possession, or control after the date of delivery of this letter, potentially relevant evidence is to be preserved. You should take all appropriate action to avoid the destruction of potentially relevant evidence whether currently in your possession or acquired at any later time prior to the completion of this litigation.

You are hereby instructed to forward a copy of this preservation of evidence letter to all persons or entities possessing or controlling potentially relevant evidence. Your obligation to preserve potentially relevant evidence is required by law.

In accordance with the legal liabilities discussed herein above, please find this as a formal settlement demand to take all action necessary to perform any all actions required pertaining to the situation giving rise to your legal liabilities, including but not limited to, returning the improperly withheld capital investment funds **in the amount of \$1,000,000** to Valentino Dimitrov, immediately upon receipt of this demand without any further delays, excuses, or stall tactics.

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I am hopeful we can reach an amicable resolution to this dispute without the necessity of your clients becoming embroiled in a public and protracted litigation up to and including being subject to a very public class action proceeding. Please note that if we are unable to reach a resolution of this matter, my client reserves any and all of his rights under the law, including the pursuit of any and all costs and fees related to litigation, including costs and reasonable attorneys' fees.

However, while it is our hope to amicably resolve this matter without the need for prolonged and public litigious proceedings, should this demand for settlement go unanswered within **fourteen (14) days** of receipt of this formal demand, a lawsuit will be filed within a court of proper and appropriate subject matter jurisdiction, and this firm will seek to certify this matter for a class action legal proceeding against each and every possible party to this action.

Sincerely,

ENARA LAW PLLC



George K. Chebat

GKC/snw

Enclosure(s): as stated.

cc: *Valentino Dimitrov*

EXHIBIT A



STAVATTI™

AEROSPACE



STAVATTI AEROSPACE LTD

PROMISSORY NOTE

For value received, the undersigned Stavatti Aerospace Ltd (the Borrower) at 9400 Porter Road, Niagara Falls, NY 14304 promise to pay Valentino Demitriov (the Lender) at 4525 Dean Martin Dr, #1400, Las Vegas NV 89103 a total sum of \$1,000,000.00 (Amount) with 500% (5x) Return. Borrower and Lender both agree to the following terms and conditions:

TERMS AND CONDITIONS

Promise to Pay:

Within forty-eight (48) months consisting of one interest payment on the one year anniversary of the loan date, Borrower promises to pay the Principal Sum of \$1,000,000.00 on the FIFO (first in first out) Basis. Liability:

Stavatti Aerospace Ltd/the Borrower is liable for paying back the following full amount

Details of Loans: Agreed Between Borrower and Lender:

February 25, 2022	\$1,000,000.00	(5x) \$5,000,000.00	Within 48 Months
Cell A: Date of Loan	Cell B: Amount of Loan (\$ USD)	Cell C: Profit Participation	Cell D: Date of Repayment

Payment of Loan:

Terms: Payment shall be made on a quarterly basis as the project progresses. The start date will be announced after the commencement of the project launch date.

Total Profit Participation: \$5,000,000.00 Five Million

Principal Payment: \$1,000,000.00 One Million

Principal amount to be paid in full on May 1, 2022

Collateral:

A) In the Second Instance Stavatti Aerospace Ltd/the Borrower shall offer the option to own 1,000,000 shares of stock (Preferred Stock) in Stavatti Aerospace Ltd or have this note convertible to 1,000,000 shares of stock for the duration of time in which the Lenders Principal is in use. Once Stavatti Aerospace Ltd/the Borrower repays the Lender the full principal amount of \$1,000,000.00 (FIFO) back, the (Preferred Stock) in Stavatti Aerospace Ltd. is released, and returned back to the company (Stavatti Aerospace Ltd.). This Stock Option/Conversion Option releases the First Right Collateral Provision (A).

EXHIBIT B



STAVATTI™

PROPRIETARY

SM-29

STAVATTI™
SM-29E
SUPER FULCRUM

An Upgrade For MiG-29 Fulcrum Fighter Aircraft

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

**PURSUANT TO RULE 506(b)
OF REGULATION D OF THE SECURITIES ACT OF 1933**



\$10,000,000

Round A
400 Class A Units of Equity Stock
\$25,000 Per Unit Price
1 January 2022

STAVATTI AEROSPACE LTD
9400 Porter Road
Niagara Falls, NY 14304 USA
TEL: 651-238-5369
www.stavatti.com

CAGE Code: 8GT89
DUNS: 117383324
PSC: 1510

Christopher R. Beskar
President & CEO
[Email: chris.beskar@stavatti.com](mailto:chris.beskar@stavatti.com)

STAVATTI™**PROPRIETARY****SM-29****PURPOSE & SCOPE**

This document serves as a Private Placement Memorandum (PPM) for the Stavatti SM-29 Super Fulcrum Development and Production Program (a developmental aircraft) and a new company that will be organized upon funding of this Offering called Stavatti Super Fulcrum Ltd (the Company). This PPM incorporates a Short Aircraft Business Plan for the Stavatti SM-29 Super Fulcrum focused on its demonstration, prototyping, production, sale and support. This PPM incorporates a Short Business Plan that includes a summary of principal products, an overview of our management team and locations, a discussion of equity and/or royalty ownership as well as non-binding Financial and Return on Investment Forecasts.

DISCLOSURE NOTICE

This PPM with integral business plan contains proprietary information and intellectual property owned by Stavatti Aerospace Ltd. Neither this PPM nor any information contained herein may be disclosed to a third party without the prior written consent of Stavatti Aerospace Ltd. All projections presented within this PPM are subject to significant economic, business, and other uncertainties beyond the control of Stavatti Aerospace Ltd. All projections (including sales and production volumes, revenue, gross margin, expenses, net earnings, net worth and Return On Investment (ROI) are based upon forecasted estimates using a probable-case basis. Projections cannot be guaranteed or assumed to be either realistic or attainable. No representations can be made as to their attainability and all projections, financial or otherwise, are estimates subject to change.

DEVELOPMENTAL AIRCRAFT DISCLAIMER

This document describes the configuration of a proposed developmental aircraft and is provisional in nature. The SM-29 is a proposed upgrade of an existing aircraft that has not yet been prototyped, demonstrated, flight tested, certified, produced or yet provided on a commercial basis. All technical and performance specifications presented within this document are forward-looking estimates that are subject to change and modification without prior notification. Stavatti reserves the right to revise this document whenever occasioned by design improvements, government regulations or other good cause.

U.S. GOVERNMENT DISCLAIMER

This document does not reflect the official policy or intentions of the U.S. Government. This aircraft is the result of an IR&D/contractor initiative; it does not reflect USAF/USN/USMC/DoD concurrence. The designation and nomenclature associated with this aircraft is a corporate assigned air weapon system designation and does not reflect USAF, USN, USMC or DoD nomenclature concurrence. The views expressed within this document are those of Stavatti and do not reflect the position of the United States Department of Defense or the U.S. Government.

ITAR NOTICE

ITAR Compliance: Technical information, including export controlled militarily critical technical data, as defined in 22 CFR 120.10 or 15 CFR 779.1 is not included within this PPM. This PPM is not subject to U.S. export control.

FOR TRANSMISSION OF TECHNICAL DATA

Technical Data as defined in 22 CFR 120.10 or 15 CFR 779.1 is not included within this document. The transmission/export of this document is not subject to U.S. control. All technical data contained within this document is considered unrestricted/unclassified. Unit flyaway and system procurement cost data included within this document is for marketing research purposes only and do not constitute, nor are to be misconstrued as, a proposal for the sale of SME. Flyaway cost data is for budgetary and market study purposes only and is not contractually binding.

OWNERSHIP

The SM-29E/F is an original aircraft upgrade of existing MiG-29 Fulcrum aircraft as proposed by Stavatti Aerospace Ltd. Stavatti Aerospace Ltd and the enterprises, subsidiaries and joint-ventures thereof, is responsible for the engineering, development, certification, qualification, manufacture, systems integration and support of the SM-29. This document contains descriptions of the intellectual properties of Christopher R. Beskar, Stavatti Aerospace Ltd, Stavatti Industries Ltd. and Stavatti Corporation. Stavatti™ is a trademark of Stavatti Aerospace Ltd.

NOMENCLATURE

The Stavatti model number designation for this aircraft is SM-29E/F Super Fulcrum. This model number corresponds to the Stavatti upgrade of an existing MiG-29 Fulcrum aircraft as originally produced by MiG/MAPO/United Aircraft in the former Soviet Union and/or Russian Federation.

ADDITIONAL CAPITAL NEEDED NOTICE

Stavatti expects that the proceeds from this Offering, even if fully subscribed, will not necessarily be sufficient for the company to begin production of the aircraft. Subscribers to this Offering are investing in the First Round Financing of the Demonstrator Phase of the aircraft development program. The aircraft development project has two phases of funding including a \$10 Million Demonstrator Phase and a \$30 Million Prototype Phase. Stavatti assumes that at minimum, an additional \$30 Million may need to be raised from equity investment or debt financing sources to certify the aircraft and begin production. The Company's current financing plan has scheduled an additional Class B equity offering to raise additional capital up to a total of \$40 Million for SM-29 Super Fulcrum demonstration, prototyping and production launch.

DISTRIBUTION NOTICE

This Confidential Private Placement Memorandum (the "Memorandum") is being submitted to a limited number of Accredited Investors on a confidential basis solely in connection with the consideration of an investment in a new company "Stavatti Super Fulcrum Ltd," in connection with its development and production of the Stavatti SM-29 Super Fulcrum upgrade of existing MiG-29 Fulcrum aircraft.

COSTS

All costs provided within this document are in 2022 United States Dollars (\$USD)

STAVATTI AEROSPACE LTD

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14304 USA

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MN TEL: 651-238-5369
NY TEL: 716-205-8396
email: aerospace@stavatti.com
<http://www.stavatti.com>

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Ukraine

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P.O. Box 211258
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55121 USA

BUFFALO
4455 Genesee Street
Buffalo, NY
14225 USA

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STAVATTI™

PROPRIETARY

SM-29

IMPORTANT NOTICES

PROSPECTIVE INVESTORS SHOULD READ THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THE "MEMORANDUM") CAREFULLY BEFORE DECIDING WHETHER TO PURCHASE COMPANY SHARES OR UNITS (THE "UNITS") IN STAVATTI AEROSPACE, LTD, A WYOMING C CORPORATION (THE "COMPANY" or "STAVATTI") AND SHOULD PAY PARTICULAR ATTENTION TO THE INFORMATION UNDER "RISK FACTORS."

THIS INVESTMENT IS HIGHLY SPECULATIVE AND IS SUBJECT TO SUBSTANTIAL RISKS (REFERENCE "RISK FACTORS"). IT SHOULD BE CONSIDERED BY, AND IS SUITABLE ONLY FOR, THOSE PERSONS WHO CAN SUSTAIN AND ASSUME A HIGH DEGREE OF RISK AND A TOTAL LOSS OF THEIR INVESTMENT, AS WELL AS A TOTAL LOSS OF ALL ANTICIPATED TAX BENEFITS AND DIVIDENDS.

THE TRANSFERABILITY OF UNITS IS RESTRICTED (REFERENCE "TRANSFERABILITY OF UNIT INTERESTS"). IN THE EVENT AN INVESTOR DESIRES TO LIQUIDATE THEIR INVESTMENT, IT IS HIGHLY PROBABLE THAT THEY MAY NOT BE ABLE TO LIQUIDATE IT, IN ANY MANNER OR FORM, ON TERMS ACCEPTABLE TO THE INVESTOR.

THE UNITS OF COMMON AND PREFERRED STOCK AS OFFERED HAVE NOT BEEN REGISTERED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTION PROVIDED BY REGULATION D RULE 506 AND OTHER EXEMPTIONS FROM REGISTRATION AS APPLICABLE. THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED (OR DISAPPROVED) THE SECURITIES HEREIN OFFERED, NOR HAS SUCH COMMISSION PASSED UPON THE ACCURACY OR THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PROSPECTIVE INVESTORS SHOULD NOT CONSIDER, NOR CONSTRUE, THE CONTENTS OF THIS MEMORANDUM AS LEGAL INVESTMENT OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OR HER OWN COUNSEL, INCLUDING ATTORNEYS, ACCOUNTANTS AND/OR BUSINESS ADVISORS CONCERNING LEGAL, TAX AND RELATED MATTERS PRIOR TO PARTICIPATION. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT PERMITTED. ADDITIONALLY, THIS MEMORANDUM CONSTITUTES AN OFFER ONLY IF A PROSPECTIVE INVESTOR HAS EXECUTED AND DELIVERED THE SUBSCRIPTION DOCUMENTS, INCLUDING THE SUBSCRIPTION AGREEMENT AND SHAREHOLDERS AGREEMENT, TO STAVATTI.

THIS MEMORANDUM AND THE EXHIBITS HERETO ATTACHED ARE AUTHORIZED FOR USE ONLY IN CONNECTION WITH THE OFFERING OF UNITS OF COMMON OR PREFERRED STOCK. NO INDIVIDUALS, OTHER THAN THE DULY APPOINTED EXECUTIVES AND AGENTS OF STAVATTI CORPORATION HAVE BEEN AUTHORIZED TO MAKE REPRESENTATIONS OR TO PROVIDE INFORMATION WITH REGARD TO THE UNIT OF COMMON AND PREFERRED STOCK AS OFFERED BY STAVATTI.

ANY INFORMATION OR REPRESENTATION NOT CONTAINED HEREIN OR OTHERWISE SUPPLIED BY STAVATTI OR APPROVED AGENTS THEREOF MUST NOT BE CONSIDERED AS AUTHORIZED BY STAVATTI CORPORATION OR ITS AFFILIATES. STAVATTI CORPORATION WILL MAKE READILY AVAILABLE TO EACH POTENTIAL INVESTOR, THEIR REPRESENTATIVES AND/OR ADVISORS THE OPPORTUNITY TO ASK QUESTIONS AND RECEIVE ANSWERS AND ADDITIONAL INFORMATION CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING. THE INFORMATION IN THIS MEMORANDUM NECESSARILY INCORPORATES SIGNIFICANT ASSUMPTIONS WHICH MAY PROVE TO BE ERRONEOUS. THEREFORE, EVERY POTENTIAL INVESTOR AND/OR PROFESSIONAL ADVISOR ARE URGED TO READ BOTH THE PRIVATE OFFERING MEMORANDUM AND THE BUSINESS PLAN OF STAVATTI CORPORATION IN THEIR ENTIRETY, ALONG WITH THE SUBSCRIPTION AGREEMENT AND ALL OTHER DOCUMENTS PROVIDED TO THE POTENTIAL INVESTOR BY VIRTUE OF DEFAULT OR DIRECT REQUEST.

NEITHER THE COMPANY, THE MANAGER, NOR ANY OF THEIR REPRESENTATIVES OR AGENTS IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE UNITS REGARDING THE LEGALITY OF ANY INVESTMENT THEREIN BY SUCH OFFEREE OR PURCHASER. NOTHING HEREIN IMPLIES THAT IT SPEAKS AS OF ANY DATE AFTER THE DATE HEREOF. INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE UNITS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THIS MEMORANDUM IS SUBMITTED TO YOU ON A CONFIDENTIAL BASIS SOLELY IN CONNECTION WITH YOUR CONSIDERATION OF AN INVESTMENT IN THE UNITS. DUE TO THE CONFIDENTIAL NATURE OF THIS MEMORANDUM, ITS USE FOR ANY OTHER PURPOSE MIGHT INVOLVE SERIOUS LEGAL CONSEQUENCES. AS A RESULT, THIS MEMORANDUM MAY NOT BE REPRODUCED IN WHOLE OR IN PART OR DELIVERED BY YOU OR YOUR AGENT TO ANY PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE MANAGER.

PATRIOT ACT RIDER

THE INVESTOR HEREBY REPRESENTS AND WARRANTS THAT INVESTOR IS NOT, NOR IS IT ACTING AS AN AGENT, REPRESENTATIVE, INTERMEDIARY OR NOMINEE FOR A PERSON IDENTIFIED ON THE LIST OF BLOCKED PERSONS MAINTAINED BY THE OFFICE OF FOREIGN ASSETS CONTROL, U.S. DEPARTMENT OF TREASURY. IN ADDITION, THE INVESTOR HAS COMPLIED WITH ALL APPLICABLE U.S. LAWS, REGULATIONS, DIRECTIVES, AND EXECUTIVE ORDERS RELATING TO ANTI-MONEY LAUNDERING, INCLUDING BUT NOT LIMITED TO THE FOLLOWING LAWS: (1) THE UNITING AND STRENGTHENING AMERICA BY PROVIDING APPROPRIATE TOOLS REQUIRED TO INTERCEPT AND OBSTRUCT TERRORISM ACT OF 2001, PUBLIC LAW 107-56, AND (2) EXECUTIVE ORDER 13224 (BLOCKING PROPERTY AND PROHIBITING TRANSACTIONS WITH PERSONS WHO COMMIT, THREATEN TO COMMIT, OR SUPPORT TERRORISM) OF SEPTEMBER 23, 2001.

NOTICE TO WYOMING RESIDENTS

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER ANY CHAPTER OF THE WYOMING SECURITIES LAWS AND MAY NOT BE TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO REGISTRATION, OR AN EXEMPTION THEREFROM.

NOTICE TO RESIDENTS OF ALL STATES

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE PRESENCE OF A LEGEND FOR ANY GIVEN STATE REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THAT STATE AND SHOULD NOT BE CONSTRUED TO MEAN AN OFFER OR SALE MAY BE MADE IN ANY PARTICULAR STATE. THIS MEMORANDUM MAY BE SUPPLEMENTED BY ADDITIONAL STATE LEGENDS. IF YOU ARE UNCERTAIN AS TO WHETHER OR NOT OFFERS OR SALES MAY BE LAWFULLY MADE IN ANY GIVEN STATE, YOU ARE ADVISED TO CONTACT THE COMPANY FOR A CURRENT LIST OF STATES IN WHICH OFFERS OR SALES MAY BE LAWFULLY MADE. AN INVESTMENT IN THIS OFFERING IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF FINANCIAL RISK. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CONSIDER ALL OF THE RISK FACTORS DESCRIBED BELOW.

ITAR COMPLIANCE

TECHNICAL INFORMATION, INCLUDING EXPORT CONTROLLED MILITARILY CRITICAL TECHNICAL DATA, AS DEFINED IN 22 CFR 120.10 OR 15 CFR 779.1 IS NOT INCLUDED WITHIN THIS DOCUMENT. THIS DOCUMENT IS NOT SUBJECT TO U.S. EXPORT CONTROL.

I. SUMMARY OF THE OFFERING

The following is a summary of the certain principal terms of membership ownership into Stavatti Aerospace Ltd and Stavatti Super Fulcrum Ltd, two separate corporate entities. This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Memorandum. Individuals who participate in the Offering are urged to read this Memorandum in its entirety. An investment in the Units offered hereby involves a high degree of risk. This Memorandum contains forward-looking statements which involve risks and uncertainties. Actual results may differ significantly from the projected results discussed in these forward-looking statements. Factors that may cause such a difference include, but are not limited to, those discussed in "Risk Factors." The "Company" when used herein will refer to "Stavatti Super Fulcrum Ltd" while "Stavatti" when used herein, refers to Stavatti Aerospace Ltd.

TERMS AND CONDITIONS	
The Company	Stavatti Super Fulcrum Ltd (the "Company") will be a new C Corporation that will be licensed to develop and produce the SM-29 Super Fulcrum; an upgrade of an existing MiG-29 by Stavatti Aerospace Ltd, a Wyoming C Corporation. The Company will be organized and incorporated immediately following the minimum subscription of one unit interest of this offering.
Business	The Company intends to develop, prototype, flight test, qualify, produce, sell and support a proprietary upgrade of existing MiG-29 Fulcrum Aircraft to convert them to the SM-29E/F Super Fulcrum. The Super Fulcrum will feature F414 EP afterburning turbofan engines, APG-79 AESA radar, a comprehensive Avionics and Electronic Warfare Systems Upgrade, A Structural Life Extension, New Wheels and Brakes and additional upgrades. This upgrade will be marketed, sold and provided to allied MiG-29 operators worldwide.
Offering	The Company is seeking capital commitments of \$10,000,000 from accredited investors for Round A Funding. The securities being offered hereby consist of up to 400 Class A Unit ownership interests of the Company, priced at \$25,000 per Unit. Each Unit contains 500,000 Shares of Common Stock assigned a value of \$0.05 per Share. The Minimum Funding amount is \$25,000 (1 Unit). Investors will also be assigned a Royalty Interest in the Gross Revenues of the Company equal to 0.00508% per Unit. Investor funds will be held in escrow by the Company until the Minimum Funding amount is reached. Once the Minimum Funding amount has been reached, funds can be utilized by the Company while the Offering remains active to secure the remainder of funds.

OFFERING CAPITALIZATION STRUCTURE

Round	Category	Investment	Percent Equity	Percent Royalty	Investor Royalty & Return On Investment (ROI)	ROI Fold
A	1st Round Investors	\$10,000,000	20.00%	2.03%	\$246,800,000	24.68 x Investment

Use-of-Proceeds	The Offering is intended to raise \$10,000,000. At least 95% of the Offering Proceeds will be used to produce a Demonstrator of the SM-29 Super Program Aircraft or as otherwise support the program per the Use-of-Funds summary provided herein. No more than 5% of the Offering Proceeds will be used for Offering expenses, including fees and commissions to brokers and agents in the Offering.
Stavatti Aerospace Ltd	Stavatti Aerospace Ltd. ("Stavatti") is a Wyoming C Corporation that was formed in December 2019. Stavatti is the owner/assignee of the SM-29 Upgrade Program and associated intellectual property and will license the design for development and production to Stavatti Super Fulcrum Ltd upon its formation as a C Corporation. Stavatti will also serve as the Manager of the Company and engage in the design, development, marketing, sales and manufacturing of the SM-29 Super Fulcrum program and aircraft.
Stavatti™	Stavatti™ is the trademark applied to Stavatti™ products and companies. Stavatti™ is a trade-marked brand name owned by Christopher R. Beskar and licensed to members of the Stavatti™ family of companies including Stavatti Aerospace Ltd and Stavatti Industries Ltd. Once incorporated "Stavatti Super Fulcrum Ltd" will be granted a license to apply the Stavatti trade-name to its products and function as a "Stavatti" company. For the purposes of this Offering the word "Stavatti" refers to "Stavatti Aerospace Ltd" while "Stavatti™" refers to the Stavatti™ brand and trademark.
Management	Stavatti Aerospace Ltd will serve as the Manager of the Company and will be directly responsible for appointing the Company's Board of Directors and Executive Management. The Manager will license the SM-29 upgrade to the Company for development and production upon Company incorporation. In the event the Company is not organized, then Stavatti Aerospace Ltd will undertake the project.
Shares Outstanding	The Company will have 1,000,000,000 shares of Common Stock Outstanding when it is organized. Of these 1,000,000,000 shares a sum total of 200,000,000 shares (20.00%) will be Class A shares for distribution in accordance with this Offering.
Distributions	Investors who own or are assigned a Royalty Interest in the company shall receive a percentage Royalty from the Revenues associated with the Company. The Royalties shall be considered a cost within the costs of goods sold associated with the aircraft and is a pre-expense cost. Royalties shall be paid upon the receipt of final payment or a finished product following that products delivery. The Board of Directors of the Company may also, at their discretion, declare to issue dividends to be paid from the Profit After Tax (PAT) earned by the Company during the course of business. Dividends will be distributed to investors and shareholders in proportion to the number of membership units and corresponding shares of equity Stock held at the time of the distribution.

Transfer Restrictions	The sale of Class A Unit Interest(s) and/or Company Common Stock is subject to various significant restrictions on transferability, including those under the securities laws and a requirement from the consent of the Management in accordance with Subscription Agreements, except in the case of certain permitted transfers.
Term of the Company	The Company will continue to exist in perpetuity with an indefinite term unless otherwise dissolved by the Management and/or the Board of Directors with the approval of the Investors holding a majority of the ownership interest in the Company.
Performance Assignment	The Company may elect to assign the performance of the project, in whole or in part, from initiation to completion, to Stavatti and its assigns. The Company shall be responsible for ensuring that any and all royalties or dividends associated with the Revenues or Net Earnings from the project are distributed to investors.
Fractional Units	The Company will allow accredited investors to purchase fractions of Units. This Fractional Unit Offering will enable investors to own less than one full unit under the same Common Stock value relationship as in the offering of a Full Unit. The Fractional Units offered will include quarters of units such as Three-Fourths (3/4), One Half (1/2) and One-Quarter (1/4) Units offered at \$18,750 (3/4 Unit), \$12,500 (1/2 Unit) and \$6,250 (1/4 Unit) respectively.
Acceptable Contributions	The Company reserves the right to accept any monetarily valuable asset(s) in lieu of capital contributions. The Company also reserves the right to accept any monetarily valuable asset(s) as collateral to secure financing, including debt or equity finance.
Reports to Investors	The Company may furnish to the investors after the close of each fiscal year an annual report and/or Valuation containing audited financial statements of the Company prepared in accordance with generally accepted accounting principals and a statement setting forth any distributions to the Investors for the fiscal year.
Indemnification	The Company will indemnify, defend and hold the Executive Management and the members of the Board of Directors harmless from and against any losses, damages, costs, which relate to the operations of the Company, unless the Management-Board acted in an illegal manner related to the management of the Company.
Investors	The Offering is only for "Accredited Investors" under Rule 501 of the Securities Act of 1933, as amended (the "Securities Act").
Term and Final Closing	The Term of the Offering is 180 days from the date of Issuing or upon termination of the Offering by the Company. The Final Closing Date unless Terminated at a Prior Date is 30 June 2022.

II. BUSINESS PLAN OF THE COMPANY

Stavatti Super Fulcrum Ltd (the “Company”) will be a Wyoming C Corporation (or at incorporator’s discretion a Delaware C Corporation) that will be managed by Stavatti Aerospace Ltd (“Stavatti”) and its Founder and CEO Christopher R. Beskar (“Chris Beskar”). The Company will be organized and incorporated immediately following the minimum subscription of one unit interest of this offering. The Company will likely be registered as a Foreign Corporation in the State of New York with an initial place of business of, 9400 Porter Road, Niagara Falls, NY 14304. Known as SNAPPER (Stavatti Niagara Aeronautical Prototype Production Engineering & Research), Stavatti acquired this facility to serve as the company’s operational headquarters, engineering design center and manufacturing facility on 30 October 2020. The initial phone number of the Company will be (651) 238-5369 and the website will be www.stavatti.com.

The Company intends to develop, prototype, flight test, produce, sell and support the SM-29 Super Fulcrum: an enhanced performance MiG-29 Fulcrum Multi-Role Fighter aircraft that will be transformationally upgraded by Stavatti Aerospace Ltd to the “Super Fulcrum” configuration, allowing the aircraft remain a potent and competitive air defense asset through 2040. Conceived by Stavatti, the SM-29E will combine the superb aerodynamic and performance characteristics of the MiG-29 with the enhanced capabilities, reliability and availability of western powerplants, avionics, sensors, armament and electronic warfare systems. The SM-29 upgrade will be performed by Stavatti with the support of a comprehensive industry team at new and existing Stavatti facilities in the USA and in customer nations.

The SM-29 program has an estimated global market for over 540 upgrades to be provided to allied MiG-29 operators worldwide beginning with an anticipated order for up to 76 SM-29 aircraft to the Ukrainian Air Force. Total projected revenues for the Ukrainian Air Force upgrade contract are \$1.7 Billion while total projected revenues for the upgrade of 540 aircraft worldwide exceeds \$12.15 Billion. Prior to providing any SM-29 aircraft to customers, the SM-29 must be developed and produced. The SM-29 will be developed and produced under license from Stavatti Aerospace Ltd by Stavatti Super Fulcrum Ltd or assigned for development and production to Stavatti by Stavatti Super Fulcrum Ltd. The Company intends to fund the costs associated with the development and production launch (collectively referred to as the “development program”) of the SM-29 aircraft through Equity and/or Debt financing.

The development of the SM-29 Super Fulcrum will be undertaken in two Phases and Funding Rounds including a \$10 Million Demonstrator Phase (Round A) followed by \$30 Million Prototype Phase (Round B). Following the \$10 Million Demonstrator Phase Stavatti will secure a contract for the upgrade of MiG-29s for the Ukrainian Air Force (UAF), undertaking the Prototype and Prototype Plus Phases in parallel with the upgrade of an initial 4 UAF MiG-29s. The subsequent \$30 Million “B” Funding Round may be funded through debt financing. Once the Prototype Phase is completed, the SM-29 program will enter a full rate production and delivery phase resulting in the upgrade of up to 50 SM-29 aircraft annually for customers worldwide. The SM-29 aircraft upgrade is anticipated to remain in production over a 10 to 20 year period. There is no assurance, however, that these objectives will be achieved (see “Risk Factors”)

III. THE AIRCRAFT

The SM-29 Super Fulcrum will be an enhanced performance MiG-29 Fulcrum aircraft that has been upgraded by Stavatti. The upgrade will begin with the installation of new GEAE F414 EPE afterburning turbofans within Stavatti re-engineered advanced design engine nacelles. Stavatti will then provide a complete sensor, avionics and cockpit update including the installation of a Raytheon APG-79 AESA radar, a L3Harris Large Area Avionics Display (LAAD), an upgraded HUD and an associated Hands on Throttle and Stick (HOTAS), NATO standard communications, navigation and electronic warfare systems as well as new wheels, tires, brakes and antiskid. For enhanced mission capability, newly designed pylons and ejectors are proposed to provide for delivery of both current Ukraine Air Force weapons and missiles and NATO ordnance including the AIM-9, AIM-120, JDAM and JSOW weapons. Major airframe components are to be inspected and rebuilt as needed. Structures that can benefit from advanced materials are to be replaced to provide for a new total airframe life of 6,000 flight hours. To increase aircraft range, new fuel tanks are proposed including conformal external fuel tanks between the engine nacelles for a total internal fuel capacity of 1,800 US Gal. A retractable in-flight aerial refueling probe will also be available. A detailed description of the proposed aircraft upgrade, its projected cost, projected market and competitive factors is provided in the subsequent pages of this memorandum.

IV. FINANCING PLAN

The Company intends to raise the funds necessary to complete the development, prototyping and production launch of the SM-29 by selling two classes of Investment Interests (Class A and Class B Units) in the Company. The Class A Unit Offering will fund the Demonstrator Phase, estimated at \$10 Million. The Class B Unit Offering will fund the Prototype Phase, estimated at \$30 Million.

All Offerings will assign the investor(s) a percent royalty in the Revenues associated with the Sales and Earnings of SM-29 Super Fulcrum MiG-29 upgrades and any and all subsequent spare parts and support equipment thereof. The royalty will be a direct percentage position corresponding to the Gross Revenues ("Revenues") of the provision of SM-29 Super Fulcrum upgrades associated with any Stavatti SM-29 specific production operations company ("Stavatti Super Fulcrum Ltd or similar). The Offering may also assign, with no additional cost, an equity ownership position in Stavatti Aerospace Ltd and/or any business operations company ("Stavatti Super Fulcrum Ltd") for the production and/or sale of the SM-29 Upgrade. This structure allows investors to receive a Return On Investment (ROI) in the form of a royalty from the provision of SM-29 upgrades regardless of their equity ownership in Stavatti or if production is performed by an alternate Stavatti company.

Under this financing plan, Offering subscriber/investors will receive a Percent Royalty position earning them Royalties from the Gross Revenues associated with each aircraft sold. Round A investors will collectively receive a 2.03% Royalty on all Revenues associated with SM-29 upgrades as well as up to 20.00% equity ownership of the hypothetical new company tentatively called "Stavatti Super Fulcrum Ltd," if organized. Round B investors will collectively receive a 2.54% Royalty on all Revenues associated with SM-29 upgrades as well as up to 25.00% equity ownership of the hypothetical new company, if organized. In the event the project is conducted entirely as a wholly owned division of Stavatti Aerospace Ltd, Investors will receive a Royalty derived specifically from, and limited to, the Revenues of the SM-29 Super Fulcrum Division of Stavatti Aerospace Ltd. Investors may also receive an equity ownership position in Stavatti Aerospace Ltd, however, that position must be negotiated. A table presenting the proposed Business Capitalization Structure is provided:

SM-29 SUPER FULCRUM BUSINESS CAPITALIZATION STRUCTURE						
Units		Offering	Distributions			
Class	Category	Investment	Percent Equity	Percent Royalty	Investor Royalty & Return On Investment (ROI)	ROI Fold
A	1st Round Investors	\$10,000,000	20.00%	2.03%	\$246,800,000	24.68 x Investment
B	2nd Round Investors	\$30,000,000	25.00%	2.54%	\$308,500,000	10.28 x Investment

In the above Capitalization Structure all Classes of Shareholders are entitled to receive monies (Capital Return) simultaneously with the amount/magnitude of the monies received being directly proportional to the percentage of equity they own in the company. As shown in the above table, the Company intends to offer Class B and Class C Units at a price per Common Share that is incrementally higher than the price per Common Share offered to Class A Unit Investors. In so doing, Class A Unit Investors are offered a lower price per Share as an incentive for investing in the Company at a period of greater risk.

V. RETURN ON INVESTMENT

Providing projections of anticipated Company Financial Distributions and Returns on Investment (ROIs) for Investor/Shareholders, Company Return on Investment Tables for 5, 10 and 20 years of continuous SM-29 aircraft upgrades are provided based upon an average annual upgrade rate of 50 aircraft.

RETURN ON INVESTMENT: 3 YEARS (76 UAF SM-29 UPGRADES)

Class	Category	SM-29 Upgrade Revenues (Accum.)	Percent Equity	Percent Royalty	Investor Royalty & Return On Investment (ROI)	ROI Fold
A	1st Round Investors	\$1,620,000,000	20%	2.03%	\$32,906,667	3.29 x Investment
B	2nd Round Investors	\$1,620,000,000	25%	2.54%	\$41,133,333	1.37 x Investment
A & B	TOTAL	\$1,620,000,000	45%	4.57%	\$74,040,000	1.85 x Investment

RETURN ON INVESTMENT: 5 YEARS (140 SM-29 UPGRADES)

Class	Category	SM-29 Upgrade Revenues (Accum.)	Percent Equity	Percent Royalty	Investor Royalty & Return On Investment (ROI)	ROI Fold
A	1st Round Investors	\$4,275,000,000	20%	2.03%	\$86,837,037	8.68 x Investment
B	2nd Round Investors	\$4,275,000,000	25%	2.54%	\$108,546,296	3.62 x Investment
A & B	TOTAL	\$4,275,000,000	45%	4.57%	\$195,383,333	4.88 x Investment

RETURN ON INVESTMENT: 10 YEARS (390 SM-29 UPGRADES)

Class	Category	SM-29 Upgrade Revenues (Accum.)	Percent Equity	Percent Royalty	Investor Royalty & Return On Investment (ROI)	ROI Fold
A	1st Round Investors	\$9,900,000,000	20%	2.03%	\$201,096,296	20.11 x Investment
B	2nd Round Investors	\$9,900,000,000	25%	2.54%	\$251,370,370	8.38 x Investment
A & B	TOTAL	\$9,900,000,000	45%	4.57%	\$452,466,667	11.31 x Investment

RETURN ON INVESTMENT: 13 YEARS (540 SM-29 UPGRADES)

Class	Category	SM-29 Upgrade Revenues (Accum.)	Percent Equity	Percent Royalty	Investor Royalty & Return On Investment (ROI)	ROI Fold
A	1st Round Investors	\$12,150,000,000	20%	2.03%	\$246,800,000	24.68 x Investment
B	2nd Round Investors	\$12,150,000,000	25%	2.54%	\$308,500,000	10.28 x Investment
A & B	TOTAL	\$12,150,000,000	45%	4.57%	\$555,300,000	13.88 x Investment

VI. USE-OF-PROCEEDS

The proceeds of the Offering will be used to fund the SM-29 Super Fulcrum Demonstrator program focused upon performing a basic upgrade and modernization of a single MiG-29 Fulcrum A single seat fighter to demonstrate to potential customers, including the Ukrainian Air Force (UAF) that Stavatti has the capability to perform the comprehensive update of MiG-29 to the proposed SM-29E configuration. A minimum number of 1 Units must be sold in this Offering and there can be no assurance that the Company will be able to sell all or any specified number of Units. Net proceeds may be utilized by the Company once a minimum of \$100,000 is raised through the Offering for any of the purposes set forth in the below Use-of-Proceeds table as specified within this Memorandum. To the extent that less than all the Units are sold, the Company will have to adjust its proposed Use-of-Proceeds to compensate for the shortage.

The following table sets forth specific information concerning the estimated use of the proceeds of this Offering and assumes that the maximum Offering of \$10,000,000 is achieved. The dollar amounts in the table are estimates only and the Manager may alter the Use-of-Proceeds at its discretion. A portion of the SM-29 development program, once completed an additional \$30 Million may be required to fully prototype, demonstrate and begin production of the SM-29. The proceeds of the Offering will not be sufficient to prototype and produce the aircraft/perform MiG-29 upgrades and are not to be used for any production costs of the aircraft. See "Risk Factors: Need for Additional Capital."

The Demonstrator Program includes the acquisition of a MiG-29 to serve as a demonstrator aircraft. The MiG-29 is currently owned by Air USA, Inc/Don Kirlin and is a 1986 MiG-29UB. The airframe has 818 hours Total Time Since New and 118 hours since complete airframe overhaul at Lviv State Aircraft Repair Plant, Ukraine. The Aircraft is Serial Number 80003003127 and it is FAA certified in the experimental exhibition category with "N" number N129XX. Stavatti intends to acquire this aircraft and transport it to Niagara Falls, NY to serve as the basis for the SM-29F Demonstrator. Upon completion of the upgrade and Round A, the MiG-29 airframe may be transported from Air USA, Inc. to the former USARC Facility in Niagara Falls for the subsequent Round B prototype program. The Demonstrator program will be conducted within a rapid 2 to 4 month time-frame and will culminate in an hands-on inspection and evaluation of the MiG-29 aircraft as upgraded by UAF senior leadership. Following the positive evaluation of the upgraded aircraft, it is anticipated that the UAF will award Stavatti with a contract to upgrade an initial 4 MiG-29 aircraft to the SM-29E standard within 12 months to be followed by a subsequent contract to upgrade an additional 72 aircraft over 48 to 60 months, resulting in a total of 76 aircraft upgrades. An Offering Use-of-Proceeds is provided:

STAVATTI AEROSPACE 10M INVESTMENT USE-OF-FUNDS		
PROGRAM EXPENSES	COST	PERCENT
Acquisition of MiG-29 Aircraft From Air USA	\$4,650,000	46.5%
MiG-29 Upgrade	\$1,000,000	10.0%
9400 Porter Road: Facility Upgrades & Remodeling	\$550,000	5.5%
Deposit on Bell Plant Purchase	\$500,000	5.0%
Construction of Ukraine Facility	\$200,000	2.0%
Facility Costs & Utilities	\$50,000	0.5%
Machinery & Equipment	\$0	0.0%
Software & Workstations	\$50,000	0.5%
Marketing & Advertising	\$275,000	2.8%
Payroll	\$1,500,000	15.0%
Benefits & Insurance	\$475,000	4.8%
Flight Test & Demonstration	\$100,000	1.0%
General & Administrative Costs	\$150,000	1.5%
Contingency & Miscellaneous	\$500,000	5.0%
TOTAL COST	\$10,000,000	100.00%

VII. REQUIREMENTS FOR PURCHASERS

Prospective purchasers of the Units offered by this Memorandum should give careful consideration to certain risk factors described under "RISK FACTORS" section and especially to the speculative nature of this investment and the limitations described under that caption with respect to the lack of a readily available market for the Units and the resulting long term nature of any investment in the Company. This Offering is available only to suitable Accredited Investors that may be allowed to purchase Units, having adequate means to assume such risks and of otherwise providing for their current needs and contingencies should consider purchasing Units.

Prospective purchasers will be required to represent and warrant in a pertinent Subscription Agreement that (i) the purchaser is an Accredited Investor as that term is defined in Rule 501(a) of Regulation D promulgated by the Securities and Exchange Commission; (ii) that you have reviewed, together with your professional advisers, if any, this Memorandum; (iii) that you have had an opportunity to ask questions of and receive answers from our representatives with respect to the Offering; (iv) that you together with your financial advisers, if any, have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Offered Units and have adequate means to provide for your financial needs with no expectation of a return on your investment, including a complete loss of your investment; and (v) that you understand that the Offered Units have not been registered under the Securities Act and that you have acquired the Offered Units for your own account for investment and not with a view to Distribution within the meaning of the Securities Act.

Stavatti may make or cause to be made any further inquiry and obtain such additional information as we deem appropriate with regard to your suitability as a prospective investor. Stavatti reserves the right to modify, increase or decrease the suitability standards and minimum investment requirements with respect to certain investors in order to comply with any applicable state or local laws, regulations or otherwise.

A. General Suitability Standards

The Units will not be sold to any person unless such prospective purchaser or his or her duly authorized representative shall have represented in writing to the Company in a Subscription Agreement that:

- a) The prospective purchaser has adequate means of providing for his or her current needs and personal contingencies and has no need for liquidity in the investment of the Units;
- b) The prospective purchaser's overall commitment to investments which are not readily marketable is not disproportionate to his, her, or its net worth and the investment in the Units will not cause such overall commitment to become excessive; and
- c) The prospective purchaser is an "Accredited Investor" (as defined) suitable for purchase in the Units.
- d) Each person acquiring Units will be required to represent that he, she, or it is purchasing the Units for his, her, or its own account for investment purposes and not with a view to resale or distribution. See "SUBSCRIPTION FOR UNITS" section.

B. Accredited Investors

The company will conduct the Offering in such a manner that Units may be sold only to "Accredited Investors" as that term is defined in Rule 501 (a) of Regulation D promulgated under the Securities Act of 1933 (the "Securities Act") that may be allowed to purchase Units in this offering. In summary, a prospective investor will qualify as an "Accredited Investor" if he, she, or it meets any one of the following criteria:

- e) A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of this purchase, exceeds \$1,000,000, excluding the value of the primary residence of such natural person;
- f) Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and who has a reasonable expectation of reaching the same income level in the current year;

- g) Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities and Exchange Act of 1934 (the "Exchange Act"); any insurance Company as defined in Section 2(13) of the Exchange Act; any Investment Company registered under the Investment Company Act of 1940 or a business development Company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company (SBIC) licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance Company, or registered investment advisor, or if the employee benefit plan has total assets in excess of \$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors;
- h) Any private business development Company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940;
- i) Any organization described in Section 501(c)(3)(d) of the Internal Revenue Code, corporation, business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
- j) Any director or executive officer, or general partner of the issuer of the securities being sold, or any director, executive officer, or general partner of a general partner of that issuer;
- k) Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Section 504(b)(2)(ii) of Regulation D adopted under the Act; and
- l) Any entity in which all the equity owners are Accredited Investors.

C. OTHER REQUIREMENTS

No subscriptions for the Units will be accepted from any investor unless he is acquiring the Units for his own account (or accounts as to which he has sole investment discretion) for investment and without any view for sale, distribution or disposition thereof. Each prospective purchaser of Units may be required to furnish such information as the Company may require determining whether any person or entity purchasing Units is an Accredited Investor.

VIII. FORWARD LOOKING INFORMATION

Some of the statements contained in this Memorandum, including information incorporated by reference, discuss future expectations, or state other forward looking information. Those statements are subject to known and unknown risks, uncertainties and other factors, several of which are beyond the Company's control which could cause the actual results to differ materially from those contemplated by the statements. The forward looking information is based on various factors and was derived using numerous assumptions. In light of the risks, assumptions, and uncertainties involved, there can be no assurance that the forward looking information contained in this Memorandum will in fact be valid.

IX. STAVATTI SHORT AIRCRAFT BUSINESS PLAN

A Short Aircraft Business Plan as prepared by Stavatti Aerospace Ltd for the SM-29 is hereby provided within this Offering to provide a summary overview of the proposed SM-29 aircraft upgrade and its associated development and production program. This business plan begins with a presentation of the SM-29 Executive Summary and subsequent summary details of the aircraft, the business (Stavatti Aerospace), its proposed products, its proposed acquisitions, the business structure, management, leadership, facilities, proposed locations, industry team, project financial requirements and financial projections are included followed by a compendium of the Risk Factors associated with this Offering.

PREFACE

THE UKRAINIAN AIR FORCE CONTRACT

This SM-29E Super Fulcrum Business Plan was written in support of a potential contract from the Ukrainian Air Force (UAF) to procure up to 76 SM-29 upgrades of existing MiG-29 aircraft

On 19 December 2019 Stavatti received a Protocol of Intent from the Ukrainian Air Force (UAF) indicating their committed desire to procure up to 76 SM-29E/F upgrades valued at \$1.7 Billion. This Protocol of Intent was signed by the Commander of the Air Force of Ukraine, Colonel General Sergii Drozdov during meeting between Ukrainian Air Force and Stavatti Representatives held the week of 15 December 2019 in Vinnytsia, Ukraine. A photograph of the Commander and the CEO of Stavatti Aerospace Signing the Protocol of Intent is provided:



Upon the completion of the Round A Demonstrator Phase Stavatti anticipates the award of a \$1.7 Billion contract beginning with a \$90 Million contract to upgrade an initial 4 UAF MiG-29s followed by a \$1.62 Billion contract to upgrade an additional 72 aircraft. It is this contract that can serve as the basis for direct investor or accounts receivables debt financing of Round C.

A serious potential customer that desires to enter into a procurement contract with Stavatti for SM-29 aircraft following their evaluation of the SM-29 Demonstrator aircraft to be completed in the Demonstrator "Round A" phase, Stavatti regards the UAF as the Launch Customer that will provide an appreciable Return on Investment in support of this Business Plan. All references to the SM-29 for the UAF are in direct reference to this potential contract as supported by the Protocol of Intent of 19 December 2019.

SM-29 DELIVERY & COST SCHEDULE TO THE UKRAINIAN AIR FORCE

PROGRAM MILESTONE	CALENDAR YEAR	AIRCRAFT DELIVERED	EXTENDED COST
SM-29 Lot 1 Completion	2022	4	\$90,000,000
SM-29 Lot 2 Completion	2023	8	\$180,000,000
SM-29 Lot 3 Completion	2024	12	\$270,000,000
SM-29 Lot 4 Completion	2025	16	\$360,000,000
SM-29 Lot 5 Completion	2026	18	\$405,000,000
SM-29 Lot 6 Completion	2027	18	\$405,000,000
TOTAL		76	\$1,710,000,000

PROJECT IMPLEMENTATION STRATEGY

With the understanding that the Ukrainian Air Force (UAF) will serve as the first customer for the SM-29 upgrade project, Stavatti's strategy is to implement the projects Demonstrator phase which costs \$10 Million and corresponds to the funding of Round A of this business plan. Under Round A, Stavatti will provide a \$4.65 Million payment to Air USA, Inc of Quincy, IL to purchase their MiG-29UB as well as to serve as an initial down-payment on the purchase of the company by Stavatti Aerospace. Stavatti will also spend a total of \$200,000 to provide a "demonstrator" level upgrade of the MiG-29UB which will include both the cockpit display and wheel and brake upgrade. Work will be performed in Quincy, IL. With a total cost of \$10 Million, it is expected that following the completion of the SM-29 Demonstrator upgrade, Stavatti will most likely host the delegation from the UAF at the Air USA facility in Quincy, IL. Upon review by the delegation and approval from the US State Department Directorate of Defense Trade Controls (DDTC), it is anticipated that Stavatti will be awarded a \$90 Million contract to provide an upgrade of 4 UAF MiG-29s to the SM-29 configuration. This work will be performed at the USARC facility which will be acquired for \$1.5 Million in Round B of the SM-29 Super Fulcrum Business Plan, financed in part upon the award of the UAF contract. The earnings from this first \$90 Million UAF contract will repay and provide a Return on Investment (ROI) for the initial Round A investment of \$10 Million immediately upon contract award.

While conducting the upgrade of the 4 UAF MiG-29s, Stavatti will also implement the Prototype Phase/Round B of this Business Plan in parallel to the UAF upgrade. Round B will allow Stavatti to complete the upgrade of the SM-29 Demonstrator to the Prototype Level including the Radar, Powerplant and Electronic Warfare Systems Upgrades. Round B will also support the acquisition of Air USA, Inc. and provide business operations and working capital. Round B will be funded through additional equity investment in Stavatti or accounts receivables financing based upon the \$90 Million UAF contract.

Upon completing the upgrade of 4 UAF MiG-29s, Stavatti anticipates the award of a second contract to upgrade an additional 72 UAF MiG-29s valued at \$1.62 Billion. Upon contract award Stavatti may secure additional funding to fund the greater Stavatti Business Plan. Funding will be secured as accounts receivables debt financing to address the costs of completing the acquisition of Air USA, Inc, completing the purchase of the Bell Aerospace Plant and complete construction of a 100,000 sq ft production facility in Ukraine to perform the upgrade of the 72 MiG-29s in Ukraine. The combined first and second contracts will result in the upgrade of 76 MiG-29s to the SM-29 Super Fulcrum configuration at a total contract value of \$1.7 Billion with estimated net earnings after expenses and repayment of Round A & B investment/debt to investors/lenders of approximately \$143.4 Million, providing a net return on investment to all investors.

A table summarizing projected UAF contract revenue and earnings based upon 1st and 2nd contract awards to upgrade 4 and 72 aircraft respectively is provided. Reviewing the table, it is evident that the 1st contract valued at \$90 Million will repay the total Round A investment of \$10 Million while producing net earnings of over \$1 Million. Similarly, the 2nd Contract valued at \$1.62 Billion will repay the total Round B investment/loans of \$30 Million while providing net earnings of more than \$143 Million.

SM-29 UKRAINIAN AIR FORCE CONTRACT REVENUE & EARNINGS

Customer	Ukrainian Air Force	Ukrainian Air Force
Contract Number	1st Contract	2nd Contract
Contract Award Start-Completion	2022-2023	2023-2027
Total Sales (Upgrades)	4	72
Total Revenues	\$90,000,000	\$1,620,000,000
Total Gross Margins	\$11,000,000	\$198,000,000
Operating Expenses	\$4,912,500	\$24,562,500
Investment Round(s) Repaid	Round A	Round B
Funding Round Repayment	\$5,000,000	\$30,000,000
Total Net Profit	\$1,087,500	\$143,437,500



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EXECUTIVE SUMMARY

SM-29 SUPER FULCRUM

The SM-29 Super Fulcrum is an enhanced performance MiG-29 Fulcrum aircraft that has been transformationally upgraded by Stavatti Aerospace. The includes the the installation of new GEAE F414 EPE afterburning turbofans, an APG-79 AESA radar, upgraded cockpit avionics and displays, a Large Area Avionics Display (LAAD), new NATO standard com/nav/IFF and EW systems, NATO External stores pylons, new wheels, tires, brakes and antiskid, increased internal fuel and an airframe structural life enhancement to 6,000 hours.

Aircraft Type: Multi-Role Fighter

Seating: One (SM-29E) to 2 (SM-29F) seats in tandem

Powerplant: 2 x F414 EP AB Turbofan: 26,300 lbs st each

Maximum Takeoff Weight: 52,000 lbs

Typical Aircraft Unit Flyaway Cost: \$22.5 Million

Round A: Demonstrator Program: \$10 Million

Round B: Prototype Program: \$30 Million

Total Development Cost: \$40 Million

Total Projected Aircraft Upgrades/Sales: 540+

Projected Number of Production Years: 12 Years

Projected Annual Production Rate: 50 Aircraft/Year

Direct Employment/Production Year: 254+

Projected Annual Sales Revenues: >\$1,012.5 Million

Project Annual Net Earnings: >\$102.8 Million

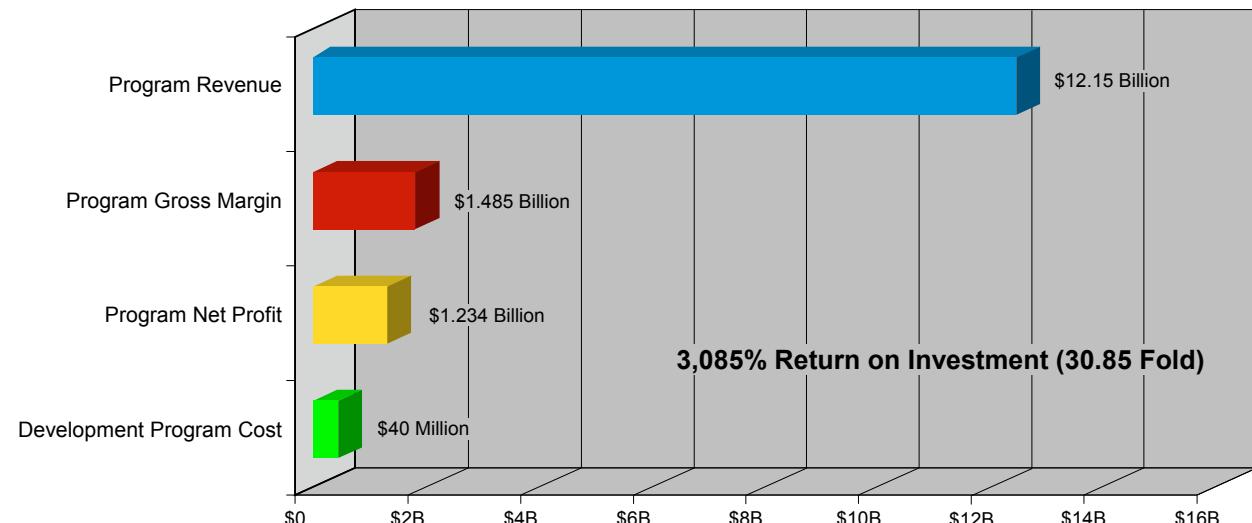
Projected Total Program Sales Revenues: >\$12.15 Billion

Projected Total Program Net Earnings: >\$1.234 Billion

Prototype Program Return on Investment: >3,085%



SM-29 PROGRAM FINANCIAL PROJECTIONS: 2022-2033



FUNDING REQUIRED & USE-OF-FUNDS

The SM-29 Super Fulcrum Business Plan Requires an initial Round A investment of \$10 Million to address Demonstrator Phase costs followed by \$30 Million in Round B funding to address Prototype Phase Costs. Total program funding is \$40 Million for Rounds A and B. Following the \$10 Million Demonstrator Phase Stavatti will secure a contract for the upgrade of MiG-29s for the Ukrainian Air Force (UAF), undertaking the Prototype Phase in parallel with the upgrade of an initial 4 UAF MiG-29s. The \$10 Million Round "A" Prototype Phase is a mission critical phase that will enable Stavatti to secure a MiG-29 upgrade contract with the UAF. Round A Funds will be secured through investors or strategic partners. The subsequent \$40 Million "B" Funding Round may be funded again through investors or through debt financing of UAF contract associated accounts receivables or as expenses associated with the first 4 SM-29s for the UAF. Once the Demonstrator and Prototype Phases are completed, the SM-29E program will enter a full rate upgrade and delivery phase resulting in the upgrade of up to 50 MiG-29 aircraft annually for customers worldwide. Stavatti will perform all initial work on this contract at the former USARC facility in Niagara Falls which was acquired by Stavatti on 30 October 2020. MiG-29 demonstrator and prototype aircraft will be acquired from Air USA as part of the Stavatti acquisition of the business. The MiG-29 will then be upgraded directly by Stavatti with the support of industry team members including Raytheon, L3Harris and GE. Tables summarizing Business Plan Funding Required and Use-of-Funds are provided:

SM-29 SUPER FULCRUM BUSINESS PLAN FUNDING REQUIRED

Round	Phase	Description	Cost
A	Demonstrator	The Round A Demonstrator Phase will result in a cockpit display and wheel/brake/tire upgrade of a single MiG-29 Fulcrum A airframe as acquired from Air USA, Inc performed at the USARC facility in Niagara Falls, NY. Costs are funded directly by an investor as an Equity, Royalty and/or Debt Investment.	\$10,000,000
B	Prototype	The Round B Prototype Phase will result in the complete prototyping of a MiG-29 Upgrade as well as the acquisition of Air USA Inc and the USARC facility. Round B enables commercial launch of the upgrade program. Costs are funded through UAF Contract Earnings/AR Debt Financing or by investors.	\$30,000,000

SM-29 SUPER FULCRUM BUSINESS PLAN USE-OF-FUNDS

ROUND	A	B	A+B
PHASE	Demonstrator	Prototype	TOTAL
PROGRAM COST			
Acquisition of MiG-29 Aircraft From Air USA	\$4,650,000	\$1,500,000	\$6,150,000
MiG-29 Upgrade	\$1,000,000	\$19,000,000	\$20,000,000
Remodeling of USARC Facility	\$550,000	\$0	\$550,000
Purchase Bell Plant	\$500,000	\$0	\$500,000
Construction of Ukraine Facility	\$200,000	\$1,000,000	\$1,200,000
Facility Costs & Utilities	\$50,000	\$350,000	\$400,000
Machinery & Equipment	\$0	\$3,000,000	\$3,000,000
Software & Workstations	\$50,000	\$300,000	\$350,000
Marketing & Advertising	\$275,000	\$500,000	\$775,000
Payroll	\$1,500,000	\$1,500,000	\$3,000,000
Benefits & Insurance	\$475,000	\$450,000	\$925,000
Flight Test & Demonstration	\$100,000	\$400,000	\$500,000
General & Administrative Costs	\$150,000	\$500,000	\$650,000
Contingency & Miscellaneous	\$500,000	\$1,500,000	\$2,000,000
TOTAL COST	\$10,000,000	\$30,000,000	\$40,000,000
RUNNING TOTAL	\$10,000,000	\$40,000,000	\$40,000,000

PAV: Prototype Air Vehicle; VSS: Vehicle System Simulator; NRE: Non Recurring Engineering

ROUND A: DEMONSTRATOR PROGRAM

The \$10 Million SM-29 Super Fulcrum Demonstrator Program focuses upon the basic upgrade and modernization of a single MiG-29UB Fulcrum B two-seat fighter to demonstrate to customers, including the Ukrainian Air Force (UAF), that Stavatti has the capability to perform the comprehensive update of MiG-29 Aircraft to the proposed SM-29 configuration. Considered “Round A” funding, the Demonstrator program has a cost of \$10 Million and focuses upon the acquisition of a single MiG-29 airframe from Air USA, Inc. and the subsequent upgrade of the aircraft’s cockpit through the installation of a single LAAD display as well as additional displays and avionics as the upgrade budget allows. Also included in the demonstrator upgrade is the complete upgrade of aircraft wheels, brakes and tires to UTC/Goodyear solutions including 22 x 6.6-10 nose tires and 30 x 11.5-14.5 main gear tires. This phase will demonstrate two critical upgrades: new aircraft cockpit displays and new wheels, tires and brakes.

The Demonstrator Program will be conducted primarily at the Air USA facility in Quincy, IL per an arrangement with Air USA, Inc. The MiG-29 is currently owned by Air USA, Inc./Don Kirlin and is a 1986 MiG-29UB. The airframe has 818 hours Total Time Since New and 118 hours since complete airframe overhaul at Lviv State Aircraft Repair Plant, Ukraine. The Aircraft is Serial Number 80003003127 and it is FAA certified in the experimental exhibition category with “N” number N129XX. The aircraft will serve as the basis for the SM-29F Demonstrator upgrade. Upon completion of the upgrade and Round A the MiG-29 airframe may be transported to the former USARC Facility (Snapper) in Niagara Falls for Round B.

The Demonstrator program will be conducted within a rapid 2 to 4 month time-frame and will culminate in an hands-on inspection and evaluation of the MiG-29 aircraft as upgraded by UAF senior leadership. Following the positive evaluation of the upgraded aircraft, it is anticipated that the UAF will award Stavatti with a contract to upgrade an initial 4 MiG-29 aircraft to the SM-29 standard within 12 months to be followed by a subsequent contract to upgrade an additional 72 aircraft over 48 to 60 months, resulting in a total of 76 aircraft upgrades. Additional potential customers may also elect to contract Stavatti to perform the SM-29 upgrade on their fleets of MiG-29 aircraft upon conclusion of the Demonstrator program.

Round A will result in the launching of Stavatti's SM-29 upgrade program and a multi-billion dollar aircraft modernization and retrofit business service. Demonstrating to Air Forces worldwide Stavatti's unique capabilities as an upgrade services provider, this initial \$10 Million results in a physical demonstrator aircraft that will be used to market our upgrade services. A Round A Use-of-Funds is provided:

STAVATTI AEROSPACE 10M INVESTMENT USE-OF-FUNDS		
PROGRAM EXPENSES	COST	PERCENT
Acquisition of MiG-29 Aircraft From Air USA	\$4,650,000	46.5%
MiG-29 Upgrade	\$1,000,000	10.0%
9400 Porter Road: Facility Remodeling	\$550,000	5.5%
Deposit on Bell Plant Purchase	\$500,000	5.0%
Construction of Ukraine Facility	\$200,000	2.0%
Facility Costs & Utilities	\$50,000	0.5%
Machinery & Equipment	\$0	0.0%
Software & Workstations	\$50,000	0.5%
Marketing & Advertising	\$275,000	2.8%
Payroll	\$1,500,000	15.0%
Benefits & Insurance	\$475,000	4.8%
Flight Test & Demonstration	\$100,000	1.0%
General & Administrative Costs	\$150,000	1.5%
Contingency & Miscellaneous	\$500,000	5.0%
TOTAL COST	\$10,000,000	100.00%

ROUND B: PROTOTYPE PROGRAM

The \$30 Million “Round B” SM-29 Super Fulcrum Prototype Program focuses upon the full and complete upgrade of a single MiG-29 Fulcrum A (Index 9.12) single seat fighter to serve as a Stavatti Company SM-29E Super Fulcrum Prototype and Demonstration aircraft. The “Full Upgrade” includes the installation of new GEAE F414 EP afterburning turbofan powerplants, the Raytheon AN/APG-79 AESA radar, a cockpit upgrade including the LAAD display as well as the aircraft wheels/brakes/tires upgrade, avionics, sensors and EW suite upgrade, increased internal fuel, conversion to NATO external stores pylons, aircraft structural improvements and service life extension to 6,000 hours and all other elements associated with the SM-29E upgrade. Resulting in the SM-29E prototype, Stavatti will flight demonstrate this aircraft and use it in stores qualification testing and certification for the SM-29E.

The Prototype Program will be conducted at the USARC facility in Niagara Falls and will be supported by Stavatti Air USA of Quincy, IL. Stavatti will acquire a second MiG-29 aircraft from Air USA: a MiG-29 Fulcrum A single seat fighter to serve as the fully upgraded prototype of the SM-29E. Additional costs including salary and payroll, facility costs and utilities, initial machinery and equipment, tooling, mock-ups and models of the SM-29E, marketing and advertising, business travel expenses, engineering software and workstations, design patents associated with the upgrade program and other costs will be addressed in this phase.

The Prototype program will be conducted within a rapid 9 to 12 month time-frame and is a direct follow-on to the Demonstrator Program. Unlike the Demonstrator Program, the Prototype Program is not absolutely necessary for Stavatti to successfully secure a MiG-29 upgrade contract from Stavatti's anticipated SM-29 launch customer, the Ukrainian Air Force (UAF). The Prototype Program can, however, dramatically increase the likelihood that Stavatti will be contracted by the UAF to provide the full and complete SM-29 upgrade that is projected to total 76 aircraft valued at \$1.7 Billion.

The Prototype Program may be funded directly by investors as an equity or venture debt investment or its costs will be funded entirely through UAF contract associated Accounts Receivables (AR) financing associated with the SM-29 upgrade of up to 76 MiG-29s of the UAF. The anticipated UAF contract will pay for 100% of the Prototype Program. The successful completion of the Prototype Program will also provide Stavatti with the facilities and equipment to produce new design Stavatti aircraft and may result in the production of an SM-31 mock-up also for the UAF. A Round B Use-of-Funds is provided:

ROUND B: SM-29 PROTOTYPE PROGRAM USE-OF-FUNDS		
PROGRAM EXPENSES	COST	PERCENT
Acquisition of 1 x MiG-29 Fulcrum A from Air USA	\$1,500,000	5.00%
MiG-29 Upgrade	\$19,000,000	63.33%
Remodeling of USARC Facility	\$0	0.00%
Purchase Bell Plant	\$0	0.00%
Construction of Ukraine Facility	\$1,000,000	3.33%
Facility Costs & Utilities	\$350,000	1.17%
Machinery & Equipment	\$3,000,000	10.00%
Software & Workstations	\$300,000	1.00%
Marketing & Advertising	\$500,000	1.67%
Payroll	\$1,500,000	5.00%
Benefits & Insurance	\$450,000	1.50%
Flight Test & Demonstration	\$400,000	1.33%
General & Administrative Costs	\$500,000	1.67%
Contingency & Miscellaneous	\$1,500,000	5.00%
TOTAL COST	\$30,000,000	100.00%

TOTAL BUSINESS PLAN COSTS

The total cost of the SM-29 Super Fulcrum Business Plan can be considered to be \$40 Million if all funding Rounds (Rounds A and B) are considered. Conceived and proposed by Stavatti Aerospace, the Business Plan is divided into two Funding Rounds/Phases which include the \$10 Million Round A Demonstrator Phase and a \$30 Million Round B Prototype Phase. The combined cost of both Rounds/Phases is \$40 Million. Of the phases, Round A is the most critical as it is this \$10 Million Demonstrator phase that will convince customers to acquire the upgrade package, after which all remaining Rounds/Phases (Round B) can be paid for through contract earnings.

The SM-29 Business Plan will result in a number of achievements for Stavatti Aerospace with the full funding of \$10 Million going directly to major initiatives that include the basic upgrade of a single MiG-29 airframe from Air USA, Inc. which focuses upon the upgrade of the aircraft's cockpit through the installation of a single LAAD display as well as the complete upgrade of aircraft wheels, brakes and tires to UTC/Goodyear solutions including 22 x 6.6-10 nose tires and 30 x 11.5-14.5 main gear tires. The resulting aircraft will serve as the SM-29 Demonstrator of Round A. In Round B, a single seat MiG-29 Fulcrum A will receive a more comprehensive upgrade and will serve as the SM-29 Prototype, featuring new GEAE F414 EP afterburning turbofan powerplants, the Raytheon AN/APG-79 AESA radar and all other related SM-29 upgrades, including Electronic Warfare Systems. This single seat prototype will then serve as the flight test article for stores qualification testing as well as the company demo aircraft.

Principal operations for this Business Plan will be conducted at the former USARC facility (Snapper) located at the Niagara Falls International Airport. This 173,358 sq ft facility on 20 acres will serve as manufacturing and development center for the SM-29 program. The Business Plan will result in the acquisition of a total of two MiG-29s, including one two seat MiG-29UB Fulcrum B and a single seat MiG-29 Fulcrum A and associated spare parts and support equipment from Air USA, Inc. The Business Plan effectively addresses all costs including salary, payroll and benefits, facility costs and utilities, machinery and equipment, mock-ups and models of the SM-29E, marketing and advertising, business travel expenses, engineering software and workstations, design patents associated with the upgrade program and other costs associated with the advancement of Stavatti Aerospace. The cost of acquiring land at the Vinnytsia International Airport in support of the future construction of a Stavatti aircraft production, assembly and maintenance support plant will also be addressed as Stavatti Ukraine Business Development Costs. A table summarizing the Total Business Plan Use-of-Funds is provided:

SM-29 BUSINESS PLAN TOTAL USE-OF-FUNDS		
PROGRAM EXPENSES	COST	PERCENT
Acquisition of MiG-29s From Air USA	\$6,150,000	15.38%
MiG-29 Upgrade	\$20,000,000	50.00%
Remodeling of USARC Facility	\$550,000	1.38%
Purchase Bell Plant	\$500,000	1.25%
Ukraine Land and Facility	\$1,200,000	3.00%
Facility Costs & Utilities	\$400,000	1.00%
Machinery & Equipment	\$3,000,000	7.50%
Software & Workstations	\$350,000	0.88%
Marketing & Advertising	\$775,000	1.94%
Payroll	\$3,000,000	7.50%
Benefits & Insurance	\$925,000	2.31%
Flight Test & Demonstration	\$500,000	1.25%
General & Administrative Costs	\$650,000	1.63%
Contingency & Miscellaneous	\$2,000,000	5.00%
TOTAL COST	\$40,000,000	100.00%

INTRODUCING THE SM-29E SUPER FULCRUM

The SM-29E Super Fulcrum will be an enhanced performance MiG-29 Fulcrum Multi-Role Fighter aircraft that will be transformationally upgraded by Stavatti Aerospace Ltd to the "Super Fulcrum" configuration, allowing the aircraft remain a potent and competitive air defense asset through 2040. Conceived by Stavatti, the SM-29E will combine the superb aerodynamic and performance characteristics of the MiG-29 with the enhanced capabilities, reliability and availability of western powerplants, avionics, sensors, armament and electronic warfare systems. Focusing on the modernization of MiG-29, MiG-29A, MiG-29S, MiG-29SE/SM/SMT and MiG-29M Tactical Aircraft, a key motivation of the upgrade is to ensure that the MiG-29 family can remain operational within air forces that face challenges providing parts and support from the original Russian OEM MiG (now Russian Aircraft Corporation MiG and its parent company United Aircraft Corporation). Addressing a need to provide interoperability between existing MiG-29s with NATO and US allied air forces worldwide and to maximize the operational effectiveness of the aircraft, the SM-29E upgrade is intended to bridge the gap between 4th and 6th generational fighters while allowing the MiG-29 design to remain a viable combat aircraft within the 5th generation fighter space.

The upgrade will begin with the installation of new GEAE F414 EPE afterburning turbofans within Stavatti re-engineered advanced design engine nacelles. The F414 EPE offers greater thrust (11,938 kgf vs 8,307 kgf), lower specific fuel consumption and far better maintainability than the original RD-33 powerplants. Stavatti then provides a complete sensor, avionics and cockpit update including the installation of a APG-79 AESA radar and a L3 20 x 8 Large Area Avionics Display (LAAD). Stavatti may also provide a four channel digital fly-by-wire flight control system, F-16 style side-stick and throttle HOTAS flight controls. Providing a redesigned cockpit environment, the SM-29 may feature an updated HUD (including either a BAe Systems LiteHUD or Esterline SparrowHawk HUD) and/or a Helmet Mounted Display System including either the Collins Aerospace Generation III Helmet Mounted Display System (HMDS) or the Joint Helmet Mounted Cueing System (JHMCS). The aircraft will also incorporate both standard and cost plus optional US/NATO communications, navigation and electronic warfare systems. To increase aircraft range, new fuel tanks will be installed, including conformal tanks within the new engine nacelles, for a total internal fuel capacity of 1,800 USG (6,914 liters). Major airframe components will be inspected and rebuilt, while structures that can benefit from advanced materials are replaced, insuring a new total airframe life of 6,000 flight hours. For enhanced mission capability, new design external stores pylons and ejectors will be installed to allow the delivery of NATO ordnance including the AIM-120, AIM-9, JDAM and JSOW.

Offering a broad array of possible enhancements, the SM-29E program focuses upon a complete modernization, enhancement and structural lifetime improvement of MiG-29 airframes and is the most dramatic, ground-up upgrade of the MiG-29 offered by any aerospace manufacturer. The upgrade will result in an aircraft that will compete directly with and in many ways exceed the capabilities of current production MiG-35, MiG-29K and MiG-29M/M2 fighters. In this sense, an older production (Factory Index 9.12/9.13) MiG-29 airframe can be upgraded to the SM-29E standard allowing it to remain operational through 2040. Building upon the MiG-29's aerodynamic assets, the SM-29E upgrade will allow a beautiful aircraft to retain its teeth in a dramatically changing world.



The SM-29E upgrade will be performed by Stavatti with the support of a comprehensive industry team (GEAE, Raytheon, Collins Aerospace, etc.) at new and existing Stavatti facilities in the USA and within customer nations. Each SM-29E upgrade may be customized to address specific customer needs and budgets with upgrades ranging from basic (including powerplant and avionics upgrades) to comprehensive (including powerplant, avionics, EW, armament systems, airframe) with a per aircraft upgrade cost of \$22.5 Million to \$25 Million. Due to dissimilarities in original production MiG-29 aircraft, each upgrade will be custom engineered by Stavatti for a specific aircraft to result in a universally standard SM-29E configuration that can be readily operated, maintained and supported in the US/NATO operational environment.

SM-29E Super Fulcrum

Multi-Role Fighter
MiG-29 Upgrade

Upgrade Cost: \$22.5 Million

Imperial Units

Accommodation		Avionics & Electronic Warfare																																																																																																																																									
Crew	Single Seat	Radar	AN/APG-79 AESA																																																																																																																																								
Seating	K-36DM Ejection Seat	IRST	IRST21																																																																																																																																								
Powerplant		Controls	Digital FBW (Optional)																																																																																																																																								
Number	2	Databus	MIL-STD-1553-B																																																																																																																																								
Type	Afterburning Turbofan	HMDS	Gen III HMDS or JHMCS																																																																																																																																								
Model	F414 EPE	HUD	Sparrowhawk or LiteHUD																																																																																																																																								
Manufacturer	GAEAE	HDD	20 x 8 in LAAD																																																																																																																																								
Afterburning Thrust	26,300 lbs	Comm	AN/ARC-210(V) Gen V																																																																																																																																								
Military Thrust	16,800 lbs	GPS/INS	FALCN																																																																																																																																								
Total Thrust	52,600 lbs	TACAN	AN/ARN-154(V)																																																																																																																																								
Air Inlets	Multi-Segment Ramp	TACAN (Alt)	AN/ARN-153(V)																																																																																																																																								
Nozzle	LO Variable Geometry	VOR/ILS	AN/ARN-147(V)																																																																																																																																								
Dimensions		IFF	AN/APX-126																																																																																																																																								
Max Wingspan	37 ft 3.25 in	IFF (Alt)	AN/APX-125(V)																																																																																																																																								
Max Length	53 ft 5 in	IFF (Alt)	AN/APX-113(V)																																																																																																																																								
Max Height	15 ft 6.25 in	Data Link	TACR-16DL																																																																																																																																								
Wing Area	409 sq ft	Data Link (Alt)	AN/URC-138 Link 16																																																																																																																																								
Wing Aspect Ratio	3.5	MMDP	FV-4000																																																																																																																																								
Wing LE Sweep	42°	RF ECM	AN/ALQ-211A(V)4																																																																																																																																								
Weights		RF ECM (Alt)	SPECTROLITE																																																																																																																																								
Empty Operating	24,960 lbs	RWR (Optional?)	AN/ALQ-211A(V)4																																																																																																																																								
Max Internal Fuel	12,060 lbs	MAWS (Optional?)	AN/AAR-58																																																																																																																																								
Max Warload	14,980 lbs	SPJ (Optional?)	AN/ALQ-214																																																																																																																																								
Takeoff Weight (TTW)	39,030 lbs	Chaff/Flare	AN/ALE-47																																																																																																																																								
Combat Weight (TCW)	33,000 lbs	Chaff/Flare (Alt)	BVP-30-26M																																																																																																																																								
Max Weight (MTOW)	52,000 lbs	Towed Decoy (Optional?)	AN/ALE-50																																																																																																																																								
Loadings		Towed Decoy (Optional?)	AN/ALE-55																																																																																																																																								
Wing Loading-TCW	95.43 lbs/sq ft	Armament																																																																																																																																									
Thrust/Weight-TCW	1.35 to 1	Fixed Internal	30mm Gsh-301																																																																																																																																								
Wing Loading-MTOW	127.14 lbs/sq ft	Ammunition	150 rds																																																																																																																																								
Thrust/Weight-MTOW	1.01 to 1	Alternative Internal	20mm M61A2																																																																																																																																								
Limit Load Factor-TCW	+10.0 g	Alternative Ammunition	1,000 rds																																																																																																																																								
Limit Load Factor-MTOW	+7.50 g	External Hardpoints	7																																																																																																																																								
Performance		Typical Combat Warload	2,410 lbs																																																																																																																																								
Stall Speed, TTW-SL	120 KTAS	Max External Warload	14,980 lbs																																																																																																																																								
Stall Speed, TLW-SL	102 KTAS	SM-29E SUPER FULCRUM DESIGN WARLOAD																																																																																																																																									
Takeoff Speed, TTW-SL	132KTAS																																																																																																																																										
Takeoff Speed, MTOW-SL	152 KTAS	<table border="1"> <thead> <tr> <th>STATION NUMBER</th><th>1</th><th>2</th><th>3</th><th>4</th><th>5</th><th>6</th><th>7</th></tr> </thead> <tbody> <tr> <td>AIM-9 Sidewinder</td><td>X</td><td>X</td><td>X</td><td></td><td>X</td><td>X</td><td>X</td></tr> <tr> <td>AIM-120 AMRAAM</td><td>X</td><td>X</td><td>X</td><td></td><td>X</td><td>X</td><td>X</td></tr> <tr> <td>R-27</td><td>X</td><td>X</td><td>X</td><td></td><td>X</td><td>X</td><td>X</td></tr> <tr> <td>R-73/K-74</td><td>X</td><td>X</td><td>X</td><td></td><td>X</td><td>X</td><td>X</td></tr> <tr> <td>AGM-65 Maverick</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr> <tr> <td>GBU-38 JDAM/Mk.82</td><td>■</td><td>■</td><td>■</td><td>■</td><td>■</td><td>■</td><td>■</td></tr> <tr> <td>GBU-32 JDAM/Mk.83</td><td>■</td><td>■</td><td>■</td><td>■</td><td>■</td><td>■</td><td>■</td></tr> <tr> <td>GBU-31 JDAM/Mk.84</td><td>■</td><td>■</td><td>■</td><td>■</td><td>■</td><td>■</td><td>■</td></tr> <tr> <td>GBU-12 PAVEWAY II</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr> <tr> <td>GBU-24 PAVEWAY III</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td>CBU-87/105 SFW</td><td>□</td><td>□</td><td>□</td><td>□</td><td>□</td><td>□</td><td>□</td></tr> <tr> <td>AGM-84E SLAM</td><td>○</td><td>○</td><td>○</td><td>○</td><td>○</td><td>○</td><td>○</td></tr> <tr> <td>AGM-88C HARM</td><td>○</td><td>○</td><td>○</td><td>○</td><td>○</td><td>○</td><td>○</td></tr> <tr> <td>AGM-154 JSOW</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td>304 USG External Tank</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td>304 USG External Tank</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </tbody> </table>		STATION NUMBER	1	2	3	4	5	6	7	AIM-9 Sidewinder	X	X	X		X	X	X	AIM-120 AMRAAM	X	X	X		X	X	X	R-27	X	X	X		X	X	X	R-73/K-74	X	X	X		X	X	X	AGM-65 Maverick	X	X	X	X	X	X	X	GBU-38 JDAM/Mk.82	■	■	■	■	■	■	■	GBU-32 JDAM/Mk.83	■	■	■	■	■	■	■	GBU-31 JDAM/Mk.84	■	■	■	■	■	■	■	GBU-12 PAVEWAY II	X	X	X	X	X	X	X	GBU-24 PAVEWAY III								CBU-87/105 SFW	□	□	□	□	□	□	□	AGM-84E SLAM	○	○	○	○	○	○	○	AGM-88C HARM	○	○	○	○	○	○	○	AGM-154 JSOW								304 USG External Tank								304 USG External Tank							
STATION NUMBER	1	2	3	4	5	6	7																																																																																																																																				
AIM-9 Sidewinder	X	X	X		X	X	X																																																																																																																																				
AIM-120 AMRAAM	X	X	X		X	X	X																																																																																																																																				
R-27	X	X	X		X	X	X																																																																																																																																				
R-73/K-74	X	X	X		X	X	X																																																																																																																																				
AGM-65 Maverick	X	X	X	X	X	X	X																																																																																																																																				
GBU-38 JDAM/Mk.82	■	■	■	■	■	■	■																																																																																																																																				
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CBU-87/105 SFW	□	□	□	□	□	□	□																																																																																																																																				
AGM-84E SLAM	○	○	○	○	○	○	○																																																																																																																																				
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304 USG External Tank																																																																																																																																											
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Service Ceiling	62,000 ft	Rated Load @ 7.5g 990 lbs 2,500 lbs 2,500 lbs 3,000 lbs 2,500 lbs 2,500 lbs 990 lbs																																																																																																																																									
Max ROC, TCW-SL	83,400 ft/min																																																																																																																																										
Tactical Radius, Internal Fuel	485 nm																																																																																																																																										
Max Range, Internal Fuel	1,292 nm																																																																																																																																										
Ferry Range (No Inflight Refueling)	2,096 nm																																																																																																																																										
Take-off Run, TTW	749 ft																																																																																																																																										
Landing Run, TLW	1,972 ft																																																																																																																																										

SM-29E Super Fulcrum

Multi-Role Fighter
MiG-29 Upgrade

Upgrade Cost: \$22.5 Million

Metric Units

Accommodation		Avionics & Electronic Warfare	
Crew	Single Seat	Radar	AN/APG-79 AESA
Seating	K-36DM Ejection Seat	IRST	IRST21
Powerplant		Controls	Digital FBW (Optional)
Number	2	Databus	MIL-STD-1553-B
Type	Afterburning Turbofan	HMDS	Gen III HMDS or JHMCS
Model	F414 EPE	HUD	Sparrowhawk or LiteHUD
Manufacturer	GEAE	HDD	20 x 8 in LAAD
Afterburning Thrust	11,938 kgf st	Comm	AN/ARC-210(V) Gen V
Military Thrust	16,800 kgf st	GPS/INS	FALCN
Total Thrust	23,876 kgf st	TACAN	AN/ARN-154(V)
Air Inlets	Multi-Segment Ramp	TACAN (Alt)	AN/ARN-153(V)
Nozzle	LO Variable Geometry	VOR/ILS	AN/ARN-147(V)
Dimensions		IFF	AN/APX-126
Max Wingspan	11.36 m	IFF (Alt)	AN/APX-125(V)
Max Length	16.28 m	IFF (Alt)	AN/APX-113(V)
Max Height	4.73 m	Data Link	TACR-16DL
Wing Area	38 sq m	Data Link (Alt)	AN/URC-138 Link 16
Wing Aspect Ratio	3.5	MMDP	FV-4000
Wing LE Sweep	42°	RF ECM	AN/ALQ-211A(V)4
Weights		RF ECM (Alt)	SPECTROLITE
Empty Operating	11,330 kg	RWR (Optional?)	AN/ALQ-211A(V)4
Max Internal Fuel	5,474 kg	MAWS (Optional?)	AN/AAR-58
Max Warload	6,800 kg	SPJ (Optional?)	AN/ALQ-214
Takeoff Weight (TTW)	17,717 kg	Chaff/Flare	AN/ALE-47
Combat Weight (TCW)	14,979 kg	Chaff/Flare (Alt)	BVP-30-26M
Max Weight (MTOW)	23,604 kg	Towed Decoy (Optional?)	AN/ALE-50
Loadings		Towed Decoy (Optional?)	AN/ALE-55
Wing Loading-TCW	394 kg/sq m	Armament	
Thrust/Weight-TCW	1.35 to 1	Fixed Internal	30mm Gsh-301
Wing Loading-MTOW	621 kg/sq m	Ammunition	150 rds
Thrust/Weight-MTOW	1.01 to 1	Alternative Internal	20mm M61A2
Limit Load Factor-TCW	+10.0 g	Alternative Ammunition	1,000 rds
Limit Load Factor-MTOW	+7.50 g	External Hardpoints	7
Performance		Typical Combat Warload	1,093 kg
Stall Speed, TTW-SL	222 km/hr	Max External Warload	6,800 kg
Stall Speed, TLW-SL	189 km/hr	SM-29E SUPER FULCRUM DESIGN WARLOAD	
Takeoff Speed, TTW-SL	244 km/hr		
Takeoff Speed, MTOW-SL	282 km/hr	STATION NUMBER	1 2 3 4 5 6 7
Approach Speed, TLW-SL	228 km/hr	AIM-9 Sidewinder	✗ ✗ ✗ ✗ ✗ ✗ ✗
Approach Speed, MTOW-SL	287 km/hr	AIM-120 AMRAAM	✗ ✗ ✗ ✗ ✗ ✗ ✗
Max Level Speed-SL	1.22 Mach	R-27	✗ ✗ ✗ ✗ ✗ ✗ ✗
Max Level Speed-FL360	2.55 Mach	R-73K-74	✗ ✗ ✗ ✗ ✗ ✗ ✗
Service Ceiling	18,898 m	AGM-65 Maverick	✗ ✗ ✗ ✗ ✗ ✗ ✗
Max ROC, TCW-SL	423.7 m/sec	GBU-38 JDAM/Mk.83	■ ■ ■ ■ ■ ■ ■
Tactical Radius, Internal Fuel	898 km	GBU-31 JDAM/Mk.84	○ ○ ○ ○ ○ ○ ○
Max Range, Internal Fuel	2,393 km	GBU-12 PAVEWAY II	✗ ✗ ✗ ✗ ✗ ✗ ✗
Ferry Range (Internal & External Fuel; No Inflight Refueling)	3,882 km	GBU-24 PAVEWAY III	✗ ✗ ✗ ✗ ✗ ✗ ✗
Take-off Run, TTW	228 m	CBU-97/105 SFW	○ ○ ○ ○ ○ ○ ○
Landing Run, TLW	601 m	AGM-84E SLAM	✗ ✗ ✗ ✗ ✗ ✗ ✗
		AGM-88C HARM	✗ ✗ ✗ ✗ ✗ ✗ ✗
		AGM-154 JSOW	□ □ □ □ □ □ □
		304 USG External Tank	○ ○ ○ ○ ○ ○ ○
		304 USG External Tank	○ ○ ○ ○ ○ ○ ○
		Rated Load @ 7.5g	
		449 kg 1,135 kg 1,135 kg 1,362 kg 1,135 kg 1,135 kg 449 kg	

STAVATTI™

PROPRIETARY

SM-29

SM-29E SUPER FULCRUM GENERAL ARRANGEMENT



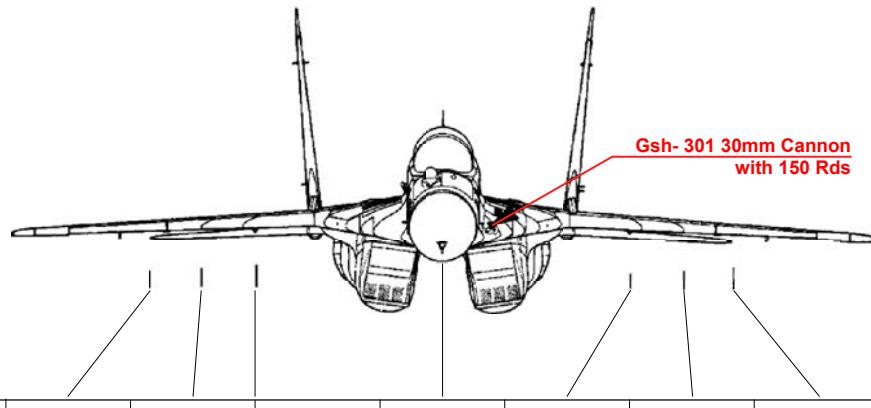
STAVATTI™

PROPRIETARY

SM-29

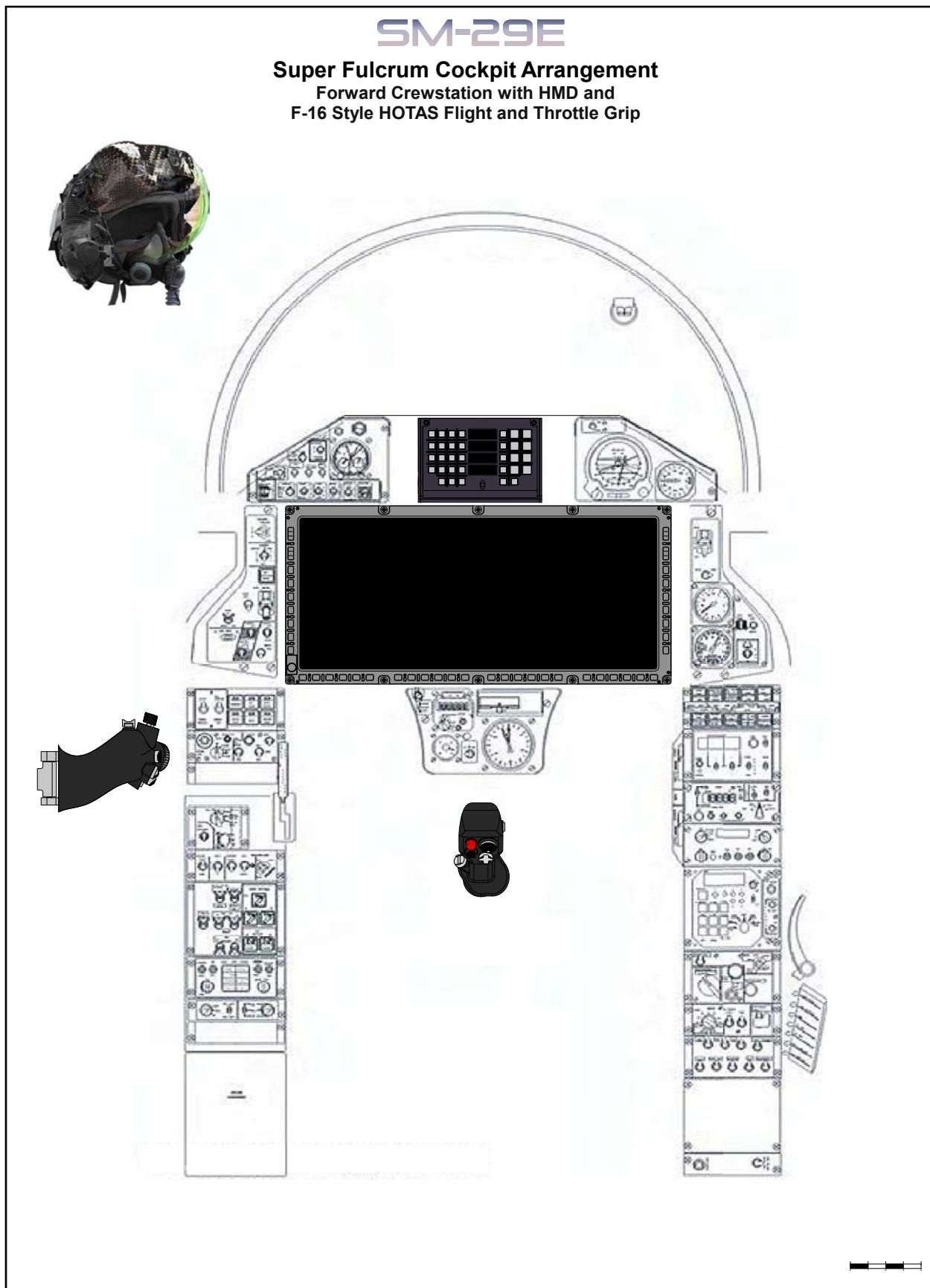
SM-29E SUPER FULCRUM VENTRAL ARRANGEMENT



SM-29E SUPER FULCRUM DESIGN WARLOAD

AIM-9 Sidewinder	✗	✗	✗		✗	✗	✗
AIM-120 AMRAAM	✗	✗	✗		✗	✗	✗
R-27	✗	✗	✗		✗	✗	✗
R-73/K-74	✗	✗	✗		✗	✗	✗
AGM-65 Maverick	◎	◎	◎◎◎		◎◎◎	◎	◎
GBU-38 JDAM/Mk.82	◎	◎	◎	◎	◎	◎	◎
GBU-32 JDAM/MK.83		◎	◎	◎	◎	◎	
GBU-31 JDAM/Mk.84		◎	◎	◎	◎	◎	
GBU-12 PAVEWAY II	◎	◎	◎	◎	◎	◎	◎
GBU-24 PAVEWAY III			◎◎		◎◎		
CBU-97/105 SFW	◎	◎	◎	◎	◎	◎	◎
AGM-84E SLAM		◎◎	◎◎		◎◎	◎◎	
AGM-88C HARM		✗	✗		✗	✗	
AGM-154 JSOW		◎	◎		◎	◎	
1,500 Ltr External Tank				◎			
1,150 Ltr External Tank			◎		◎		

Rated Load @ 7.5g	449 kg	1,135 kg	1,135 kg	1,362 kg	1,135 kg	1,135 kg	449 kg
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Mail: 9400 Porter Road, Niagara Falls, NY 14304
Tel: 651-238-5369
Web: www.stavatti.com

SM-29E Super Fulcrum

UPGRADE COST

UNIT UPGRADE COST

The upgrade cost of MiG-29 Fulcrum aircraft to the SM-29E Super Fulcrum configuration is \$22.5 Million per aircraft. Specific upgrade configurations have unit flyway costs from \$16 Million to \$25 Million depending upon customer selected sensors, avionics, ECM and armament. The upgrade cost estimate is for a GEAE F414 EPE Afterburning Turbofan powered aircraft equipped with APG-79 AESA Radar, an Electronics and Flight Control Systems Upgrade, a Weapon Systems Upgrade to NATO Standard, a mission computer upgrade, a stores management systems upgrade, upgrade to a MIL-STD-1553-B data bus, a Comprehensive Aircraft Structural Service Life Extension to 6,000 flight hours and the cost of Systems Integration. These costs are ROM estimates only and reflect unit aircraft flyaway costs. Costs do not include the costs of spares, support equipment or stores/ordnance. To obtain an exact cost, a detailed price quote must be requested accompanied by a customer Letter of Interest (LOI) indicating the quantity of aircraft desired and the time-frame of possible procurement. Costs require that Stavatti receives a donated MiG-29 aircraft or airframe (flyable or non-flyable) suitable for upgrade. Stavatti may supply suitable MiG-29 donor airframes at an additional cost. A Unit Upgrade Costs table is provided. All Costs are in United States Dollars(\$).

SM-29E SUPER FULCRUM UNIT AIRCRAFT UPGRADE COST

UPGRADE COST ELEMENT	COST/VALUE	PERCENT
Powerplant Upgrade to F414 EPE:	\$8,000,000	35.56%
Radar Upgrade to APG-79 AESA:	\$3,000,000	13.33%
Electronic Warfare Systems Upgrade:	\$4,000,000	17.78%
Weapon Systems Upgrade to NATO Standard:	\$1,000,000	4.44%
Avionics, Electronics & Flight Control Upgrade:	\$1,000,000	4.44%
Comprehensive Structural Service Life Extension:	\$2,500,000	11.11%
AIRFRAME COSTS	\$19,500,000	86.67%
Integration Costs:	\$3,000,000	13.33%
UPGRADE UNIT FLYAWAY COST:	\$22,500,000	100.00%

PRODUCTION & AVAILABILITY

The proposed SM-29E Super Fulcrum Upgrade is available immediately and may be applied to any existing MiG-29 aircraft (including MiG-29, MiG-29A, MiG-29S, MiG-29SE/SM/SMT and MiG-29M) with delivery of upgraded aircraft within 12 to 18 months of contract signature and receipt of initial contract payment. The upgrade program will begin with the conversion of 4 initial aircraft in the first year of upgrade operations. The upgrade process is expected to have the capability to upgrade up to 50 MiG-29 aircraft annually at a rate of 4 per month by 2023. The SM-29E upgrade will be performed at a dedicated Stavatti production facility, including but not limited to, Stavatti's headquarters and production facility at 9400 Porter Road, Niagara Falls, NY 14304 or at an in-country Stavatti or customer facility. Aircraft Upgrades performed for the Ukrainian Air Force will be initially performed in the USA (first 4 aircraft in Niagara Falls, NY) with subsequent aircraft upgraded at a proposed Stavatti facility in Vinnytsia, Ukraine.



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SM-29F Super Fulcrum

UPGRADE COST

UNIT UPGRADE COST

The upgrade cost of MiG-29UB Fulcrum B aircraft to the SM-29F Super Fulcrum two seat tandem configuration is \$25 Million per aircraft. Specific upgrade configurations have unit flyway costs from \$20 Million to \$30 Million depending upon customer selected sensors, avionics, ECM and armament. The upgrade cost estimate is for a GEAE F414 EPE Afterburning Turbofan powered aircraft equipped with APG-79 AESA Radar, an Electronics and Flight Control Systems Upgrade, a Weapon Systems Upgrade to NATO Standard, a mission computer upgrade, a stores management systems upgrade, upgrade to a MIL-STD-1553-B data bus, a Comprehensive Aircraft Structural Service Life Extension to 6,000 flight hours and the cost of Systems Integration. These costs are ROM estimates only and reflect unit aircraft flyaway costs. Costs do not include the costs of spares, support equipment or stores/ordnance. To obtain an exact cost, a detailed price quote must be requested accompanied by a customer Letter of Interest (LOI) indicating the quantity of aircraft desired and the time-frame of possible procurement. Costs require that Stavatti receives a donated MiG-29UB aircraft or airframe (flyable or non-flyable) suitable for upgrade. Stavatti may supply suitable MiG-29UB donor airframes at an additional cost. A Unit Upgrade Costs table is provided. All Costs are in United States Dollars(\$).

SM-29F SUPER FULCRUM UNIT AIRCRAFT UPGRADE COST

UPGRADE COST ELEMENT	COST/VALUE	PERCENT
Powerplant Upgrade to F414 EPE:	\$8,000,000	32.00%
Radar Upgrade to APG-79 AESA:	\$3,000,000	12.00%
Electronic Warfare Systems Upgrade:	\$4,000,000	16.00%
Weapon Systems Upgrade to NATO Standard:	\$1,000,000	4.00%
Avionics, Electronics & Flight Control Upgrade:	\$1,500,000	6.00%
Comprehensive Structural Service Life Extension:	\$4,000,000	16.00%
AIRFRAME COSTS	\$21,500,000	86.00%
Integration Costs:	\$3,500,000	14.00%
UPGRADE UNIT FLYAWAY COST:	\$25,000,000	100.00%

PRODUCTION & AVAILABILITY

The proposed SM-29F Super Fulcrum Upgrade is available immediately and may be applied to any existing MiG-29UB Fulcrum B aircraft with delivery of upgraded aircraft within 12 to 18 months of contract signature and receipt of initial contract payment. The upgrade program will begin with the conversion of up to 2 initial aircraft in the first year of upgrade operations, considered as Low Rate Initial Production (LRIP). The upgrade process is expected to have the capability to upgrade up to 50 MiG-29 aircraft annually at a rate of 4 per month by 2023. The SM-29F upgrade may be performed at a dedicated Stavatti production facility, including but not limited to, Stavatti's headquarters and production facility at 9400 Porter Road, Niagara Falls, NY 14304 or at an in-country Stavatti or customer facility. Aircraft Upgrades performed for the Ukrainian Air Force will be initially performed in the USA (first 4 aircraft in Niagara Falls, NY) with subsequent aircraft upgraded at a proposed Stavatti facility in Vinnytsia, Ukraine.

STAVATTI AEROSPACE LTD

Cost Per Flight Hour (CPFH)

DATASHEET

SM-29E Super Fulcrum

Aircraft Powerplant: GEAE F414 EPE



This DATASHEET provides ROM (Rough Order Magnitude) Cost Per Flight Hour (CPFH) and Typical Aircraft Squadron Strength (TASS) projections for the Stiletto aircraft as prepared by Stavatti Aerospace Ltd. CPFH/TASS projections assume aircraft operation within a typical USAF squadron environment, with all cost accounting variables derived from historical USAF operations and readiness statistics. CPFH values will differ for non-USAF operational environments, including all service conducted in NATO/allied air forces. CPFH and TASS projections contained herein are ROM estimates for Long Range Planning (LRP) purposes and are not contractually binding. CPFH values are subject to change based upon FH/PAA, aircrew, fuel, maintenance and additional variable costs.

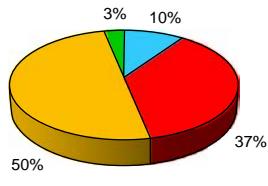
SM-29E CPFH: \$6,017

AIRCRAFT: SM-29E Super Fulcrum
MISSION: Multi-Role Fighter
AIRCREW: 1 (Single Seat)
POWERPLANT: GEAE F414 EPE

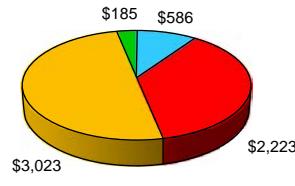
ANNUAL FLIGHT HOURS (FH/PAA): 350
AIRCRAFT PER SQUADRON: 12
MMH/FH: 9.2
MEAN FUEL CONSUMPTION (GPH): 556

SM-29E Super Fulcrum Cost Per Flight Hour (CPFH)		SM-29E Super Fulcrum Typical Aircraft Squadron Strength (TASS)		
COST ELEMENT	COST	PERSONNEL DESCRIPTION	PER AIRCRAFT	PER SQUADRON
Aircrew:	\$586	Aircrew:	1	18
Fuel:	\$2,223	Ground Crew & Maintenance:	10	121
Direct Maintenance Personnel:	\$859	Squadron Staff:	1	10
Consumable Materials:	\$555	Weapon System Security:	1	15
Indirect Support Personnel:	\$185	Base Operations Personnel:	1	12
Spares:	\$952			
Depot:	\$657			
TOTAL CPFH:	\$6,017	TOTAL PERSONNEL:	14	176
		# OF AIRCRAFT:	1	12

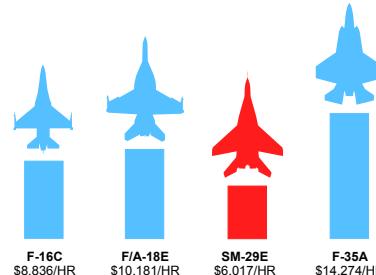
SM-29E
Cost Per Flight Hour (CPFH) Elements
By Percentage (%)



SM-29E
Cost Per Flight Hour (CPFH) Elements
By USD (\$)



SM-29E
Cost Per Flight Hour (CPFH) Comparison
Non-Stavatti CPFH from FMS User Rates: DoD FY 2015 Reimbursable Rates Fixed Wing



DEFINITIONS & NOTES:

AIRCREW: Assumes Crew Ratio of 1.5 with FH/PAA=350. Aircrew salary assumes pay rate for USAF O-3 (Captain) with 8 years experience and inclusion of Hazardous Duty Pay, Subsistence and Housing Allowments.
FUEL: Assumes a mean fuel consumption of 109 Gallons Per Hour (GPH) of JP-8 per mission Flight Hour (FH) at a cost of \$4.00/Gallon based upon DoD bulk fuel purchase of \$6.95 Billion for 44.45 Million Barrels of JP-8 in 2013 adjusted for inflation and rounded-up to the nearest dollar value for cost normalization purposes.
DIRECT MAINTENANCE PERSONNEL: Assumes a Maintenance Labor Rate of \$100.00/Hour.
MMH/FH: MMH/FH definitions are for Low Rate Initial Production (LRIP) aircraft. Actual MMH/FH may decrease by up to 35% over aircraft operational service life based upon maintenance practices and crew experience.
TASS: TASS values are based upon a hypothetical USAF ACC typical squadron structure as projected by STAVATTI. Actual TASS may vary by +/-50%, particularly when non-DoD service (allied export) squadron and support structures are considered. Actual TASS values are based upon service branch organizational procedures, practices and defense force culture.
CPFH PRESENTATION: CPFH values are presented in a manner to provide greater specificity with regard to elements of aircraft operations costs in support of export sales to NATO/allied air forces which may engage in cost accounting and support practices which differ from those of DoD. CPFH projections include Aircrew Costs, which may be omitted/otherwise considered, in some USAF CPFH models. USAF CPFH cost factors including GSD, SDD and DLR are not individually identified. The projected costs often identified with GSD, SDD and DLR are included within the blanket "MAINTENANCE" category. Contractor Logistical Support (CLS) which may be provided under particular contract arrangements, are not included with all support assumed by dedicated air force personnel. Ground-crew (including aircraft armament crew) is included as an element of MAINTENANCE. All CPFH values presented herein are ROM projections which are subject to alteration and change based upon actual, empirical data to be derived during flight test and initial operations.

MARKET

Introduced in 1977 the first MiG-29 prototype flew on 6 October 1977. Followed by the second prototype in June 1978, MiG-29 production began in 1982 with deliveries to Soviet Frontal Aviation beginning in 1983. Primary MiG-29 variants include the MiG-29 Fulcrum-A single seat fighter (Factory Index 9.12 for Frontal Aviation and 9.12B for export) and the MiG-29UB two seat tandem fighter trainer (Factory Index 9.5). Additional variants include the MiG-29 Fulcrum-C (Factory Index 9.13), MiG-29S Fulcrum-C (Factory Index 9.13S), MiG-29SE Fulcrum-C, MiG-29SD Fulcrum-A (Factory Index 9.12), MiG-29M/MiG-33 (Factory Index 9.15), MiG-29ME, MiG-29K (Factory Index 9.31), MiG-29K-2002 (Factory Index 9.41), MiG-29KUB (Factory Index 9.47), MiG-29M2, MiG-35 and MiG-35D.

Currently in production as the MiG-29 and MiG-35, the MiG-29 family of aircraft has realized total production numbers in excess of 1,600 aircraft although the exact number of production aircraft is unknown. Stavatti estimates a minimum of 1,627 MiG-29s were produced including the MiG-29/MiG-29M with an additional 81 MiG-29K/KUB and 8 MiG-35 aircraft produced for some 1,716 total aircraft produced in the MiG-29 family. In service with at least 31 nations including the USA which operates MiG-29s as both military Dissimilar Air Combat Training (DACT) and civilian aircraft, it is estimated that the active MiG-29 fleet totaled 957 aircraft in 2009 but diminished to between 829 and 791 aircraft in 2019 and 2020 respectively.

Of all active MiG-29 aircraft, an estimated 734 aircraft are in service with nations that would be permitted to be upgraded under Stavatti SM-29E/F Super Fulcrum by the US State Department-Directorate of Defense Trade Controls (DDTC). Of the 734 aircraft, Stavatti projects an actual 540 aircraft will be upgraded by Stavatti, accounting for aircraft that have been previously upgraded by competing companies or can be accessed from active duty fleet aircraft.



Stavatti envisions the upgrade of 540 MiG-29s over a 10 to 12 year time-span. Focused on the upgrade of up to 50 aircraft annually, Stavatti is planning on performing aircraft upgrades at two facilities including our proposed USARC/Bell Aerospace facility in Niagara Falls, NY and the proposed facility in Vinnytsia, Ukraine. Each facility is projected to perform up to 25 upgrades annually or approximately 2 per month. To facilitate upgrades, original customer aircraft will be flown or dismantled and shipped to the Stavatti upgrade center in either New York or Ukraine where they will undergo a complete inspection, structural modification and complete upgrade to the SM-29E/F configuration.

Valued at approximately \$12.15 Billion in total sales with revenues of \$1.125 Billion annually, the projected upgrade of 540 MiG-29s will focus solely upon aircraft in the inventories of Air Forces that are considered friendly to the USA and NATO. Those nations include Algeria, Azerbaijan, Bangladesh, Bulgaria, Chad, Egypt, Hungary, India, Iraq (New Iraq Air Force), Kazakhstan, Malaysia, Mongolia, Moldova, Myanmar, Peru, Poland, Romania, Serbia, Slovakia, Ukraine and Uzbekistan. The aircraft to be upgraded may include both active service aircraft as well as those aircraft that nations place into storage due to lack of spare parts or inability to support the aircraft. Providing a complete spare parts and logistical supply chain solution, Stavatti can upgrade MiG-29s that are now in non-flyable storage in air forces worldwide for direct use by the owner air force or resale to nations that require affordable military aircraft solutions to add to their existing MiG-29 fleets, including Bangladesh and Mongolia. The SM-29E/F upgrade will allow Air Forces to continue to operate their MiG-29s for an additional 15 to 30 years after which they may be replaced with next generation Stavatti successor aircraft such as the SM-33, SM-36 or SM-39.

In full compliance with Arm Export and Control Regulations including ITAR and the US State Department Directorate of Defense Trade Controls (DDTC) Stavatti will not upgrade any MiG-29 aircraft operated by the Air Forces of sanctioned, prohibited or potential threat nations including but not limited to Belarus, Cuba, Eritrea, Iran, North Korea, Russia, Sudan, Syria and Yemen.

SM-29 SUPER FULCRUM MARKET FORECAST 2020-2032+

NATION	UPGRADABLE FLEET	PROJECTED UPGRADES	PROJECTED REVENUES (\$)
Algeria	32	32	\$720,000,000
Azerbaijan	13	13	\$292,500,000
Bangladesh	8	8	\$180,000,000
Bulgaria	19	19	\$427,500,000
Chad	3	3	\$67,500,000
Egypt	46	46	\$1,035,000,000
Hungary	20	20	\$450,000,000
India	114	67	\$1,507,500,000
Iraq	18	18	\$405,000,000
Kazakhstan	14	14	\$315,000,000
Malaysia	16	16	\$360,000,000
Mongolia	2	2	\$45,000,000
Moldova	6	6	\$135,000,000
Myanmar	31	31	\$697,500,000
Peru	19	19	\$427,500,000
Poland	44	44	\$990,000,000
Romania	18	18	\$405,000,000
Serbia	10	7	\$157,500,000
Slovakia	21	21	\$472,500,000
Ukraine	220	76	\$1,710,000,000
Uzbekistan	60	60	\$1,350,000,000
TOTAL	734	540	\$12,150,000,000

NATION	MiG-29 HISTORICAL FLEET
Algeria	32
Azerbaijan	13
Bangladesh	8
Belarus	50
Bulgaria	19
Chad	3
Cuba	14
Egypt	46
Eritrea	4
Hungary	20
India	114
Iran	44
Iraq	18
Kazakhstan	14
Malaysia	16
Mongolia	2
Moldova	6
Myanmar	31
North Korea	40
Peru	19
Poland	44
Romania	18
Russia	600+
Serbia	10
Slovakia	21
Sudan	22
Syria	84
Ukraine	220+
USA	21
Uzbekistan	60
Yemen	14
TOTAL	1,627+

REGION	UNIT SALES
Australia & Australasia	0
Asia	211
Africa	81
Caribbean	0
Central America	0
Europe	211
Middle East	18
North America	0
South America	19
TOTAL	540

MiG-29 MODELS & VARIANTS	TOTAL BUILT
MiG-29/MiG-29M	1,627
MiG-29K	81
MiG-35	8
TOTAL PRODUCED	1,716

On 19 December 2019 the Ukrainian Air Force (UAF) issued a Protocol of Intent Letter regarding the modernization of MiG-29 Aircraft of the Air Force of the Armed Forces of Ukraine to Stavatti Aerospace Ltd. Executed by the Commander of the Air Force of the Armed Forces of Ukraine Colonel General Sergii Drozdov, the Protocol of Intent corresponds directly to Stavatti's proposal to the Ukrainian Air Force for the upgrade of up to 76 MiG-29 aircraft to the SM-29E/F Super Fulcrum configuration. With a per aircraft unit upgrade cost of \$22.5 Million, the estimated value of the corresponding potential contract exceeds \$1.7 Billion. Serving as a "Launch Customer" for the SM-29 program, following the initial upgrade of 76 UAF MiG-29s, Stavatti may upgrade additional UAF aircraft to the SM-29 standard. Stavatti projects up to 150 or more UAF MiG-29s currently in storage may ultimately be upgraded by Stavatti. Representing Stavatti's largest potential customer for the SM-29 upgrade, Ukraine will also serve as a center for Stavatti MiG-29 modernization in Europe with the anticipate construction of a modification and support center in Ukraine by Stavatti. Beginning with the upgrade of a Stavatti demonstrator aircraft that will be presented to and reviewed by UAF representatives, Stavatti anticipates that a contract will be issued for the upgrade of an initial 4 MiG-29 aircraft at our Niagara Falls, NY facility to be followed by the subsequent upgrade of 72 aircraft at a new build Stavatti facility and hangar in Ukraine. One of 21 potential customers for the SM-29 upgrade program, immediately following the upgrade of the initial 4 UAF MiG-29s Stavatti will secure 540 or more additional upgrade orders from MiG-29 operators worldwide:



COMPARISONS

The SM-29 Super Fulcrum upgrade will result in a MiG-29 with extraordinary performance and capability. Resolving long-standing issues with respect to standard MiG-29 sensors and avionics, powerplant thrust, fuel economy and reliability as well as overall short range and support supply chain, the SM-29E will enable the MiG-29 to realize its full potential as a superb tactical fighter. Able to challenge 4th and 5th generation fighters alike and secure air dominance, the SM-29E will offer an impressive thrust-to-weight ratio while offering a maximum level speed, maximum rate of climb and maximum AoA that is second to few if any. With significant improvements to range and endurance the SM-29E will be a fighter that exceeds the performance and capabilities of most fighters flying today. A viable counter to threat aircraft, the SM-29 will deliver flight performance and maneuvering characteristics that can rival all models and variants of the F-16, F/A-18 and F/A-35. With a comprehensive sensor, avionics and EW/ECM suite, the SM-29E will offer systems capabilities that match or exceed that of the F-16 and F/A-18E/F. Dramatically exceeding the performance and capabilities of all models of original and current production MiG-29 and MiG-35 aircraft, the SM-29 upgrade will result in an ultimate performance machine and weapon system. A comparison of projected SM-29 Super Fulcrum performance with existing combat fighters is provided:

SM-29E SUPER FULCRUM AIRCRAFT COMPARISON

*Comparing the MiG-29E
with Combat Aircraft
(Images are to Scale)*



Manufacturer	Stavatti	Boeing	Lockheed	Lockheed
Aircraft	SM-29E	F/A-18E	F-16C	F/A-35A
Year of First Flight	2020	1995	1984	2006
Flight Crew	1	1	1	1
Powerplant(s)	2 x F414-EPE	2 x F414-GE-400	1 x F110-GE-129	1 X F135
Max Thrust (lbs)	52,600	44,000	29,588	43,000
Span (ft)	37.27	44.71	31.00	35.00
Length (ft)	53.42	60.29	49.33	51.40
Height (ft)	15.52	16.00	16.71	16.67
Wing Area (sq ft)	409	500	300	460
Empty Weight (lbs)	24,960	32,082	19,880	29,300
Max Internal Fuel (lbs)	12,060	14,008	7,116	18,250
Max Fuel Warload (lbs)	14,980	17,700	19,272	17,950
Max Warload (lbs)	14,980	17,700	19,272	18,000
MTOW (lbs)	52,000	66,000	48,000	65,500
Stall Speed @ SL-MTOW (KTAS)	138	132	189	179
Max Speed @ Altitude (MACH)	2.55	1.80	2.00	1.60
Max Climb Rate @ SL (ft/min)	83,393	44,882	50,000	60,000
Service Ceiling (ft)	62,000	50,000	50,000	60,000
Tactical Radius-Internal Fuel	485	474	478	584
Max Range-Internal Fuel	1,292	1,275	1,010	1,200
Ferry Range-With External Fuel	2,096	1,660	2,415	2,000
Wing Loading (lbs/sq ft)	127.14	132	160	142
Thrust to Weight Ratio	1.01	0.67	0.62	0.66
Load Limits (g)	7.52	7.50	9.00	9.00
Takeoff Distance; 50 ft Obstacle (ft)	1,019	2,500	1,500	748
Landing Distance; 50 ft Obstacle (ft)	2,682	1,740	3,000	952
Fuel to Cruise 1 nm (lbs)	9.33	10.99	7.05	15.21

*Comparing the MiG-29E
with Combat Aircraft
(Images are to Scale)*



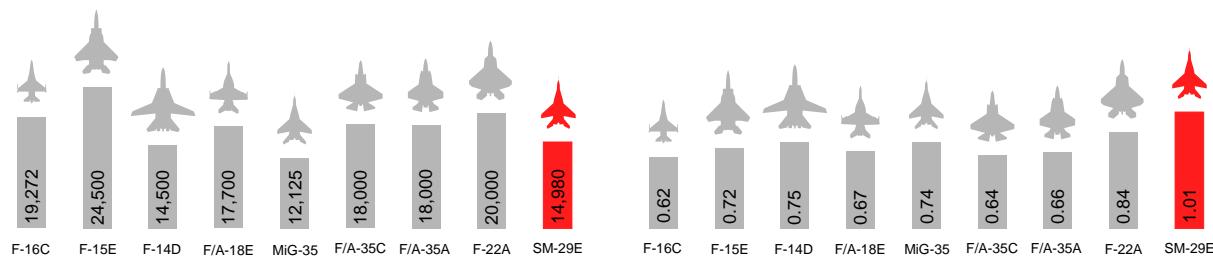
Manufacturer	Stavatti	MiG	MiG	MiG
Aircraft	SM-29E	MiG-35	MiG-29M	MiG-29 Fulcrum A
Year of First Flight	2020	2007	1989	1977
Flight Crew	1	1	1	1
Powerplant(s)	2 x F414-EPE	2 x RD-33MKB	2 x RD-33K	2 x RD-33
Max Thrust (lbs)	52,600	39,700	38,800	36,600
Span (ft)	37.27	39.33	37.27	37.27
Length (ft)	53.42	56.98	53.42	53.42
Height (ft)	15.52	17.00	15.52	15.52
Wing Area (sq ft)	409	452	409	409
Empty Weight (lbs)	24,960	24,030	29,498	24,030
Max Internal Fuel (lbs)	12,060	11,551	11,062	7,725
Max Fuel Warload (lbs)	14,980	12,125	8,824	6,615
Max Warload (lbs)	14,980	12,125	9,920	6,615
MTOW (lbs)	52,000	54,013	49,384	40,785
Stall Speed @ SL-MTOW (KTAS)	138	134	135	122
Max Speed @ Altitude (MACH)	2.55	2.30	2.30	2.30
Max Climb Rate @ SL (ft/min)	83,393	65,000	65,000	64,950
Service Ceiling (ft)	62,000	59,050	59,050	55,775
Tactical Radius-Internal Fuel	485	459	329	304
Max Range-Internal Fuel	1,292	1,128	1,080	810
Ferry Range-With External Fuel	2,096	1,889	1,737	1,133
Wing Loading (lbs/sq ft)	127.14	119.47	120.74	99.72
Thrust to Weight Ratio	1.01	0.74	0.79	0.90
Load Limits (g)	7.52	8.00	9.00	9.00
Takeoff Distance; 50 ft Obstacle (ft)	1,019	1,398	1,400	1,113
Landing Distance; 50 ft Obstacle (ft)	2,682	2,427	2,679	2,679
Fuel to Cruise 1 nm (lbs)	9.33	10.24	10.24	9.54

STAVATTI™

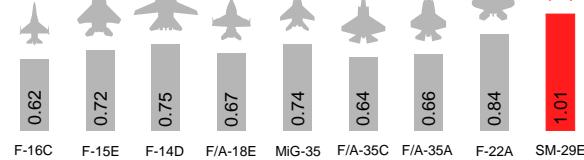
PROPRIETARY

SM-29

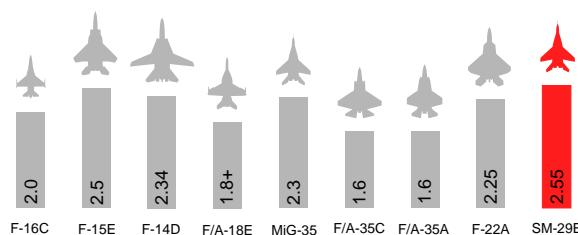
Maximum Warload (lbs)
With Partial Internal Fuel



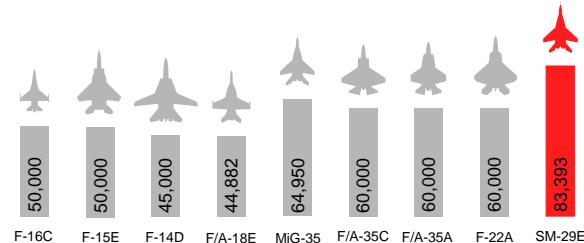
Thrust to Weight Ratio
MTOW @ Maximum Power



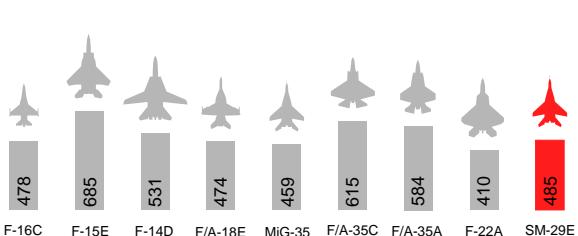
Maximum Level Speed (Mach Number)
Aircraft in Clean Configuration @ Altitude



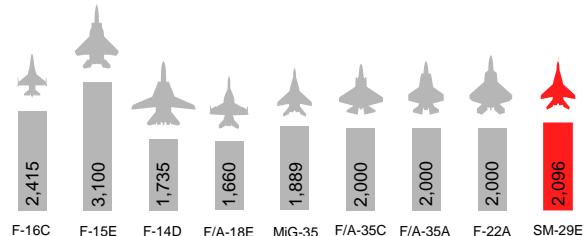
Maximum Climb Rate (ft/min)
Typical Combat Weight @ Sea Level, Standard Day



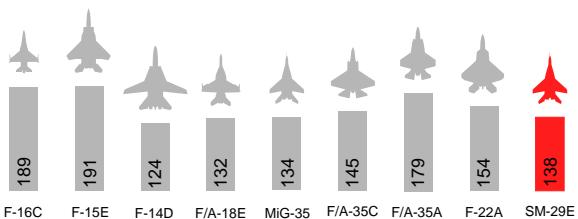
Tactical Radius (nm)
With Maximum Internal Fuel



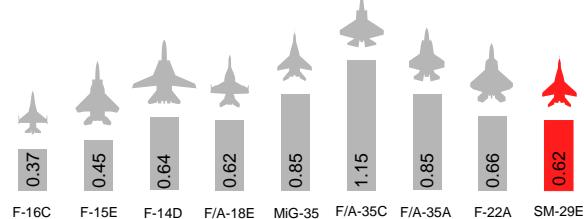
Ferry Range (nm)
With Maximum Internal + Maximum External Fuel



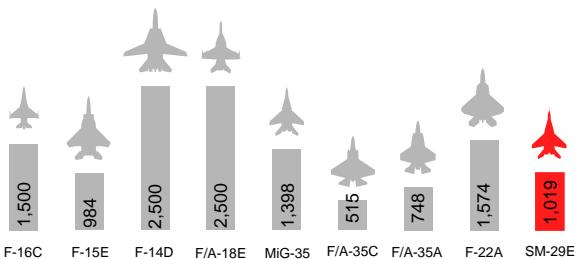
Stall Speed (KTAS)
MTOW in Landing Configuration @ Sea Level



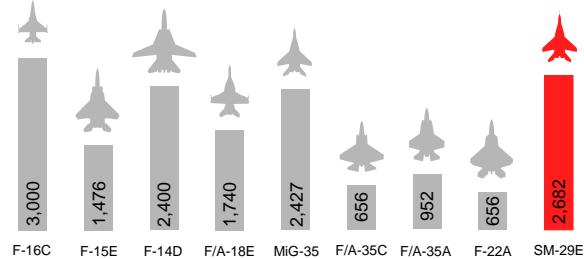
Relative Fuel Burn Ratio
Fuel (lbs) to move 1,000 lbs of Warload 1 nm



Takeoff Distance (ft)
BFL Over 50 ft Obstacle



Landing Distance (ft)
BFL Over 50 ft Obstacle



MARKETING

The SM-29E/F Super Fulcrum will be marketed using a comprehensive, pro-active approach which combines a mass media military aircraft marketing with traditional military aircraft and defense product marketing techniques. This active approach to marketing will deliver the exposure necessary to establish a firm foothold on the market. As a military aircraft, the SM-29E is marketed to a very specific audience: Air Forces and Air Defense Arms that currently operate or have in their inventories MiG-29 aircraft. Catering to the needs of US Allies, the SM-29 upgrade will be suitable for at least 21 owner/operator nations. These nations have existing fleets of MiG-29 aircraft that may need upgrades to satisfy requirements for national defense as well as to satisfy any coalition obligations. This need to have effective air defense capability over the next 15 to 20 years as well as requirements to expand and add new capabilities is the driving factor behind customer upgrade of existing MiG-29s to the SM-29E Super Fulcrum standard.

The first step in marketing is direct customer outreach which begins with an initial survey of needs and requirements. This survey is conducted through direct engagement with the potential end-user as well as a survey of available public domain information. The most overt form way in which customer needs are surveyed is the review and study of outstanding end-user Requests for Information (RFIs) and Requests For Proposals (RFPs). As a *Defense Contractor* much of the business of defense work is preparing and submitting a response to RFIs and RFPs. These two documents state quite plainly the needs of specific armed forces and what is required to both respond to and potentially satisfy these needs. In so doing, the principal way of “winning a contract” is to ensure that Stavatti has the capability, capacity and know-how to satisfy the requirements of an RFI or RFP. In so doing, an essential part of marketing is ensuring that Stavatti is adequately positioned in terms of facilities, machinery and equipment, personnel, qualifications and certifications to win a contract. This requires a direct initial investment to ensure that Stavatti is adequately equipped and capitalized to be considered a viable candidate to satisfy contracts.

With needs known and capabilities in-place, a core element of marketing is having a sample product to market. For an aircraft manufacturer, that sample product is either a demo aircraft (Demonstrator) or a prototype. Prior to creating a prototype Stavatti relies upon marketing literature, marketing videos, aircraft simulations, models and even full size mock-ups of the Aircraft of its cockpit to introduce the customer to the product. With these tools, the intent is to secure either an order from a customer (in the form of Purchase Order, Letter of Intent or Letter of Interest), Research and Development (R&D) funding from the customer or R&D funding in the form of an equity and/or debt investment from a qualified accredited investor. With an order or R&D funding secured, Stavatti will construct one or more prototype aircraft (Prototype Air Vehicles or PAVs). These prototypes will be representative of products that will enter production. Once a prototype rolls out of the development hanger, a major marketing effort is accelerated as the revelation of the prototype is a gala aerospace industry media event. From the moment of prototype roll-out, the marketing department will focus upon the pop-culture media exposure as well as the direct demonstration of the aircraft and its capabilities to potential customers at airshows and nation specific military airshows around the world. Having a prototype aircraft “go on tour” to provide demonstrations worldwide is essential. Once the SM-29 upgrade program enters production active marketing gains momentum to ensure that contracts are both awarded to and satisfied by Stavatti. In so doing, Stavatti must exhibit our prototype and our factory demo aircraft at critical airshows and tradeshows including the Paris Airshow, Farnborough, the UAE Air Show, the Air Force Technology Expo, EAA Oshkosh Air Adventure, NBAA and other air and tradeshows worldwide.

Upon initiating the full rate upgrade and production of the SM-29E, direct and public exposure to customers is key. Stavatti must engage in multi-media advertising including online (website, facebook, twitter, linked-in, YouTube, DTIC, etc.), in print ads (Aviation Week & Space Technology, Air International, Jane's, Air Force Magazine, etc.) in newsprint (Wall Street Journal) and in appropriate Air Show and Defense Trade-show advertising. Stavatti must achieve product placement within genre specific television media as well. To this end Stavatti has already entered into a Shopping Agreement with Ample Entertainment (the creators/producers of “Coopers Treasure” on the Discovery Channel) to develop and produce a new cable television series focused upon the SM-29 as a DACT aircraft tentatively titled “Stavatti Top Gun.” This TV series will provide mass media exposure for Stavatti and our SM-29E program through a recognized cable television network. Concentrating also upon direct marketing such as lobbying and having a dedicated in-person, in-country marketing team for every potential customer, Stavatti has a clearly defined marketing and advertising strategy to ensure SM-29E Super Fulcrum program success.

MAINTENANCE AND CONTRACTOR LOGISTICAL SUPPORT

Organizational Level Contractor Logistical Support (CLS) for new Stavatti aircraft can be provided 90 days in advance of first aircraft delivery by either a Stavatti provided team, or a team organized, established, contracted and managed by a Stavatti Industry partner, including, but not limited to, organizations such as DynCorp International. Stavatti will provide on-site 24 to 60 month CLS for the aircraft procured, with support transitioning to Organic or continued contracted maintenance after 24 months.

Stavatti will be best equipped to provide leading, specialized, warranted maintenance services for all Stavatti produced products. Stavatti will provide complete maintenance solutions including:

- Service Inspections and Basic Maintenance
- 25-Hour, 100-Hour and Annual Inspections
- Field and Battle Damage Maintenance
- Major Overhaul and Depot Level Maintenance
- Interior/Cockpit Refurbishing
- Avionics, Sensors, Weapon System Upgrades
- Powerplant and Flight Controls Upgrades
- Aircraft Rebuild, Reconstruction and Restoration

Concurrent to the establishment of primary aerospace vehicle assembly facilities, Stavatti will establish a global network of Stavatti Service Locations and Stavatti Technical Service Locations that are owned and operated by Stavatti. Stavatti Primary Service Centers (PSCs) will include Stavatti aerospace vehicle and systems assembly facilities. These facilities will not only be home to all new Stavatti aircraft, but also service, completion, warranty repair, spare parts production and warehousing/distribution. PSCs will conduct basic service and depot level support, as well as aircraft RCS measurement and calibration, aircraft battle damage repair and ground-up restoration, aircraft paint and trim, owner/operator/maintainer education and training, and internal systems upgrades and modifications. Stavatti projects establishing two PSCs in the United States and one PSC in Europe, as well as other locations worldwide.

Stavatti Service Locations (SLs) will serve as complete service and warranty repair centers capable of performing basic service and depot level support. SLs are suitable for battle damage repair, owner/operator/maintainer education and training, aircraft paint and trim and internal systems upgrades and modifications. Stavatti SLs will serve as spare parts warehousing and distribution centers. Stavatti projects the establishment of three SLs on the North American Continent as well as seven or more facilities worldwide with locations in Asia, Africa, South America, the Middle East, the Pacific Rim and Europe.

Stavatti Technical Service Locations (TSLs) will provide basic system servicing, major overhaul, battle damage repair and retail spare parts supply. Serving as front-line maintenance facilities, Stavatti TSLs will provide an equipped, knowledgeable service staff at no less than 20 locations worldwide to provide immediate systems support during wartime conditions. To further support customers, Stavatti will produce all necessary spare parts and components to assure complete aircraft supportability. Once an aircraft enters production, Stavatti will establish a stores base equal to 1/5th of the current, in-service aircraft fleet. Spares will be available for direct purchase by all Stavatti aircraft owner/operators for direct purchase or purchase through a customer selected service center/maintenance facility.

Stavatti is currently developing supportability and sustainment plans for NATO/Allied foreign end-users of the Machete series which center upon a Contractor Logistical Support (CLS) whereby Stavatti and Stavatti designated ITMs provide total system CLS on a contracted basis.

Stavatti has arrived at the realization that a number of foreign end-users will not be acquiring Stavatti aircraft as direct procurements but may in fact choose to lease aircraft. Under a leasing structure, Stavatti and Stavatti ITMS, including DynCorp International, SDS International and L-3 Link Training would provide all sustainment and systems supportability.

In the event the UAF desires an organic support and sustainability program, Stavatti will provide airframe integrated systems maintenance training while relevant primary ITMs will provide maintenance training for their particular airframe subsystem (GEAE providing powerplant maintenance support, etc.).

GROUND BASED TRAINING SYSTEM

Stavatti considers Ground Based Training Systems (GBTS) in the form of ground based Aircrew Training Systems and Flight Simulators to be an implicit, fundamental element that is inherently incorporated into every Stavatti aircraft program. For the SM-29E Super Fulcrum, Stavatti provides a comprehensive GBTS solution provided in partnership with dedicated Stavatti Industry Team Members (ITMS).

Providing a very comprehensive, high fidelity GBTS solution for customers worldwide, Stavatti has teamed with Avia Training and Simulators of Kremenchuk, Ukraine. Founded in 1998, Avia (Scientific and Production Association Avia, Ltd.) develops, manufacturers, sells and supports aircraft simulators and training complexes. Providing the premier simulators and training complexes for Mi-8MTV, Mi-171, Mi-172 helicopters, Avia has specialized in solutions for basic training, type conversion and advanced training of flight personnel and ground engineers of all specialties. Avia will be developing, manufacturing and supporting the Full Flight Simulators (FFS) for the SM-29E Super Fulcrum.

The SM-29E FFS is an integrated system that incorporates a standard SM-29E cockpit with real controls equipped with all aircraft controls, instruments and displays, cockpit equipment imitators, an 8 channel visualization system, a sound environment simulator, a digital computer modeling complex, a 6 degree of freedom electromechanical motion system, instructor workplace with integrated debriefing system and the ventilation and air-conditioning system. The FSS will train aircraft flight crews in the full scope of their functional duties in piloting the aircraft. The FSS provides a highly accurate simulation of real flight in real time.



Stavatti recommends the acquisition of a minimum of one FSS for each squadron of 12 SM-29E aircraft. For the proposed procurement of 76 SM-29E aircraft, Stavatti has included the acquisition of four SM-29E FSS as an essential element of the comprehensive aircraft procurement package. Supporting the FSS, Stavatti will also provide one Desktop/Laptop Computer Aircraft Orientation Trainer (AOT) with each aircraft procured. The AOT comes complete with a suitable laptop or desktop workstation computer, simulator flight grip, throttle grip, rudder pedals and a high fidelity desktop flight simulator model of the SM-29E for use with a Stavatti contracted FAA Certified X-Plane desktop flight simulator software by Laminar Research. Developed by Laminar Research in cooperation with Stavatti, Avia and SDS International, the AOT is a low cost GBTS solution for general aircraft orientation and to reduce training costs in between FFS simulation and real aircraft flight.

For maintenance and support crew training, Stavatti will also provide a SM-29E Virtual Maintenance Trainer (VMT) as part of a basic training classroom that includes a Computer Based Training System (CBTS) as well as physical, hands-on training aids including aircraft functional systems training boards, aircraft structure training stands and mockups of primary aircraft structures, systems and assemblies.

Advanced Debrief Solution

As an element of the integrated training solution, including GBTS, Stavatti has entered into a teaming agreement with CUBIC Defense Applications, Inc. to provide a training system for the SM-29E. The CUBIC airborne Line, Replaceable Unit (LRU), network connectivity, and Advanced Debrief solutions will be integrated into the SM-29E. The Advanced Debrief Solution monitoring and debriefing software application builds on our legacy as the inventor of Air Combat Maneuvering Instrumentation (ACMI). Advanced Debrief Solution was developed through innovation aimed at advanced parametric assessment and visualization techniques, plus the need for easily tailorable and integrated data merging and reporting. Providing connectivity between the ground and the airborne aircraft. The airborne system provides a Software-Defined Radio (SDR) running the 5G ATW for basic operations. A comprehensive summary of the CUBIC offering for the SM-29E solution is available upon request. The Advanced Debrief Solution is available as a cost plus optional training component for the SM-29E Super Fulcrum.

STAVATTI AEROSPACE

Stavatti Aerospace Ltd is an aircraft manufacturer focused on the design and production of military, commercial and general aviation aircraft. Stavatti was formed with a vision to change the way aircraft are designed and built in order to improve efficiency, quality, safety and performance while reducing the cost of ownership and operation. Benefiting from designs, methods and approaches that are not evolutionary, but are instead revolutionary, Stavatti will produce aerospace vehicles that offer greater capabilities, greater efficiencies and significantly greater levels of affordability. Introducing stunning new aerospace vehicles, Stavatti is about producing families of advanced aircraft ranging from Sportplanes and Military Trainers, to Air Superiority Fighters and Commercial Airliners. Stavatti aircraft will be produced in piloted, remotely piloted or autonomous configurations. Creating new aerospace vehicles as either wholly owned programs or as joint venture projects with Strategic Partners, aircraft now under development include:

SM-31 Stiletto
Supersonic Trainer & Light Fighter
Mach 1.5 with 2,000 nm Range
Up to 7,100 lb Warload
2022 First Flight



SM-27 Machete
Turboprop Close Air Support
400 KTAS with 870 nm Radius
8,000 lb Warload
2022 First Flight



SM-28 Machete
Turbofan Close Air Support
Mach 0.85 with 670 nm Radius
12,000 lb Warload
2023 First Flight



SM-47 Super Machete
Air Defense Fighter
Mach 2.2 with 625 nm Radius
12,000 lb Warload
2024 First Flight



SM-36 Stalma
Multi-Role Fighter
Mach 2.6 with 900 nm Radius
20,000 lb Warload
2025 First Flight



SM-39 Razor
Air Dominance Fighter
Mach 4.0 with 1,300 nm Radius
22,000 lb Warload
2028 First Flight



From the SM-66 which first flew in its original incarnation in 1966, to the SM-39 Razor Air Dominance Fighter which is planned to fly in 2028, Stavatti has a vision that spans multiple products over many decades. With a vision that spans multiple products over many decades, these aircraft will be rapidly developed and produced over the next 25 years in accordance with a comprehensive business plan to expeditiously grow Stavatti into a major manufacturer of aerospace vehicles for civil, commercial and military customers. For each Stavatti aircraft project there is detailed technical information, including SolidWorks engineering CAD files of airframe structures with FEA analysis, CFD results of the aircraft's aerodynamic configuration, stability and control analysis, in-depth projections of the aircraft's performance and flight characteristics and detailed, production oriented business plans.

Employing a lean development and manufacturing approach, Stavatti will pioneer, qualify and field new breakthrough technologies including advanced scandium and aluminum lithium alloys, new foam metal sandwich structures, new reciprocating and gas turbine powerplants, novel high temperature composites, high temperature metal ceramics, remarkable crew display, interface and control technologies, advanced radar and sensor technologies as well as new avionics and airborne computers. A unique technology enterprise, Stavatti develops aircraft of novel configuration and integrates their proprietary airframes with game-changing technologies to achieve capabilities that will become a new standard for excellence.

BUSINESS STRUCTURE & ORGANIZATION

Stavatti Aerospace Ltd was founded in Eagan, Minnesota in April 2014 and was reorganized as a Wyoming C Corporation in December 2019. The purpose of Stavatti Aerospace is to design and manufacture of next generation aircraft and aerospace vehicles. Including military aerospace vehicles, commercial aerospace vehicles and general aviation aircraft, Stavatti focuses upon the creation of new piloted and unpiloted transportation and defense systems. Concentrating primarily upon new design products created as Stavatti initiatives, Stavatti Aerospace can also enhance and modify non-Stavatti aircraft, as well as produce non-Stavatti designed aircraft as a type certificate holder or a licensee. Stavatti Aerospace also focuses upon the design of launch vehicles, missile systems, ordnance, aerospace vehicle powerplants and can provide aerospace design and production related services.

Stavatti Aerospace is organized into seven distinct divisions including Stavatti Military Aerospace (focused on the design and production of military aerospace vehicles), Stavatti General Aviation (focused on the design and production of general aviation sport aircraft for private pilots), Stavatti Commercial Aerospace (focused on the design of commercial airliners and aerospace vehicles for civil transport), Stavatti Missiles and Ordnance (focused on the design and production of aircraft missiles and ordnance as well as launch vehicles), Stavatti Interplanetary (focused on the design and production of interplanetary aerospace vehicles and spacecraft), Stavatti Interstellar (focused on the design and production of interstellar aerospace vehicles and spacecraft) and Stavatti Aerospace Systems (focused upon the design and manufacture of aircraft systems including avionics, sensors, actuators, landing gear, electromechanical systems, ejection seats, aircraft armament, etc.).

Stavatti Aerospace is owned by shareholders who include individual equity owners as well as strategic partners. The shareholder elect and appoint a board of directors which in-turn elects a President, CEO and all supporting executive staff, including Senior Vice Presidents, CFOs and CIOs. Daily implementation of Stavatti business activities is managed by Vice Presidents who direct all non-executive personnel. Stavatti Aerospace builds upon the legacy of Stavatti Corporation from which it inherited a corporate culture, leadership and intellectual property associated with the SM-26, SM-27 and SM-36 aircraft.

Stavatti Aerospace builds upon the legacy of Stavatti Corporation and is a member of the Stavatti Family of Companies that includes Stavatti Industries Ltd, Stavatti Corporation, Stavatti Europe, Stavatti Ukraine and Stavatti Korea. Stavatti Corporation is the original Stavatti C Corporation founded in Minnesota in July of 1994. The original design company responsible for the engineering of the Stalma, Sleek, Machete and Aviara families of aircraft, Stavatti Corporation was also engaged in the design of gas dynamic directed energy weapons and radioisotope powered gas turbine engines. Stavatti Corporation was also the parent company to the Stavatti Reconnaissance Systems division and all other pre-Stavatti Aerospace Ltd divisions and subsidiaries. Today Stavatti Corporation serves primarily as a technology management company responsible for licensing the development and future production of potential product lines to Stavatti Aerospace Ltd. and other Stavatti business enterprises.

Stavatti Industries Ltd. (Stavatti Industries) is a design and manufacturing company modeled after the Heavy Industrial Manufacturing concerns of Japan and South Korea. Embracing the model pioneered by Mitsubishi, Fuji, Samsung, Hyundai and Kawasaki Heavy Industries, Stavatti Industries, Ltd was formed as a company responsible for the design, development, production and support of future "Heavy Industrial Products" including powerplants, sensors, avionics, armament systems, cybernetics, naval vessels, electric boats, rail systems, medical systems and devices, automotive solutions, energy creation, desalination systems and large civil works projects. Stavatti Industries is also home to Stavatti's visual entertainment division, Stavatti Pictures. A mechanism for reindustrialization, Stavatti Industries will provide affordable, clean, environmentally friendly solutions in satisfaction of global demands for a diverse array of high performance products. Stavatti Industries is structured to enable the expansion of Stavatti into the design and manufacture of products above and beyond aerospace vehicles while providing critical key technologies to those vehicles in-house. A Wyoming C Corporation founded in 2016, Stavatti Industries Ltd is the successor company to Stavatti Heavy Industries Ltd established in February 2005. In May of 2016 Stavatti Industries established a Strategic Partnership with Hybrid Technology Inc. of San Bernardino, CA with an emphasis upon the production of world leading proprietary cementing heads and related oil tools. In March of 2018 Stavatti Industries received a Certificate of Qualification from the State of California to operate as a Foreign Corporation in California, establishing principal operations in San Bernardino, CA. Addressing the

field of advanced Materials, Stavatti Industries focuses upon the development and direct or licensed production of advanced materials including Titanium Diboride Cermets, Scandium Aluminum alloys and even next generation battery technology. In 2017 Stavatti Industries entered the mining industry, first with a partnership to commercially develop the placer gold reserves of Cape Yakataga and then with an opportunity to explore and develop a potential Lithium-Borate mine in Serbia. In so doing, Stavatti Industries is the diversified industrial and commercial product manufacturing arm of Stavatti capable of developing and producing a wide array of products and providing significant services.

Stavatti Europe is a design and manufacturing company headquartered in Belgrade, Serbia to serve as Stavatti's European manufacturing and production company. Incorporated on 21 April 2017, Stavatti Europe is an integrated enterprise that will focus upon the design and production of aircraft, aerospace vehicles and industrial products including oil tools, gas turbines, defense systems and other products. Stavatti Europe will establish a design and manufacturing presence in both Belgrade as well as conduct production operations at the Pancevo Aircraft Production Center.

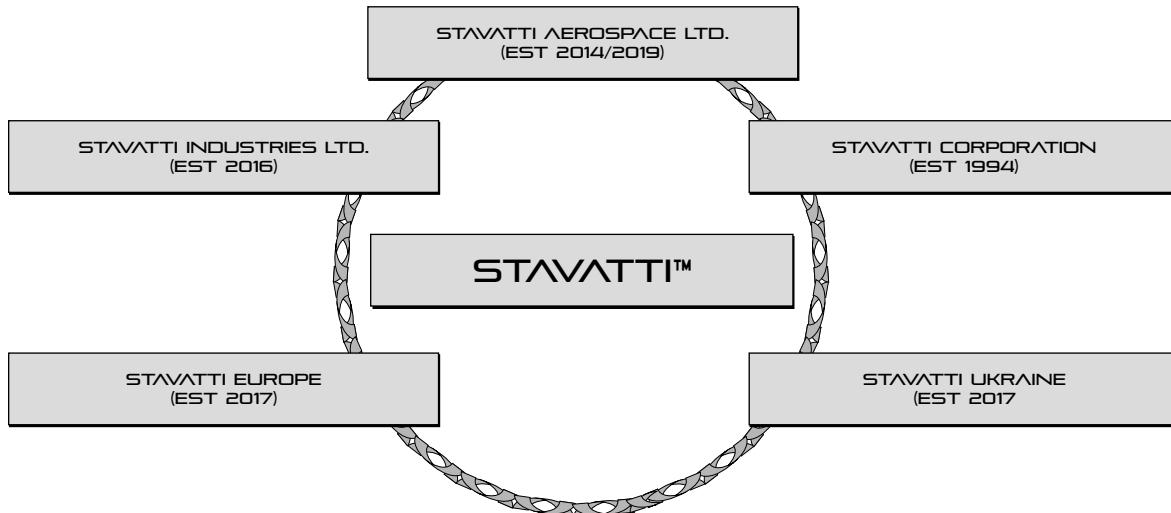
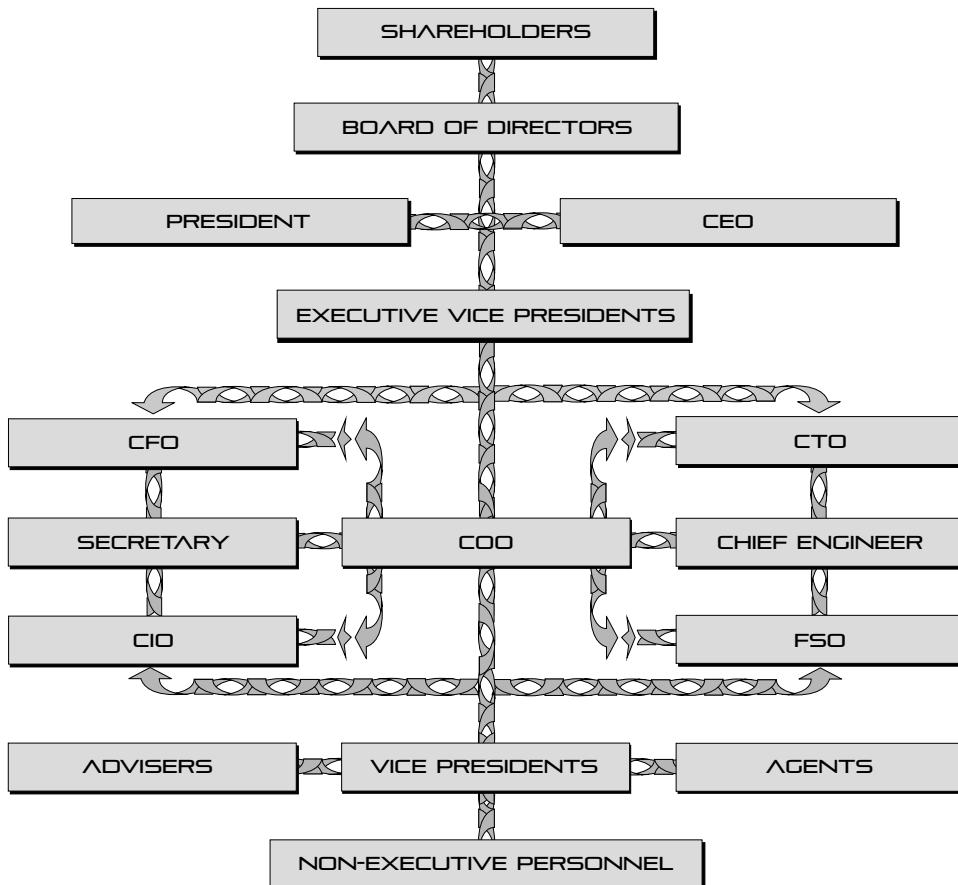
Stavatti Ukraine is a design, manufacturing and defense services company headquartered in Vinnytsia, Ukraine. Founded in November 2017, Stavatti Ukraine is focused upon coordinating the development and production of the SM-31 Stiletto to serve as both a supersonic trainer to replace Ukrainian Air Force L-39s as well as a fifth generation, low observable, supersonic light fighter. Stavatti Ukraine anticipates assembling a variety of aircraft in Ukraine including members of the Machete, Stalma and Razor families specifically for Ukraine. Expanding into diversified industries, Stavatti also sees the possibility of developing and producing advanced missiles, rockets, high performance metal alloys including Scandium Aluminium, Naval Vessel Manufacturing as well as the provision of spares and support equipment for existing military aircraft to the Ukrainian MoD as a primary business focus of Stavatti Ukraine

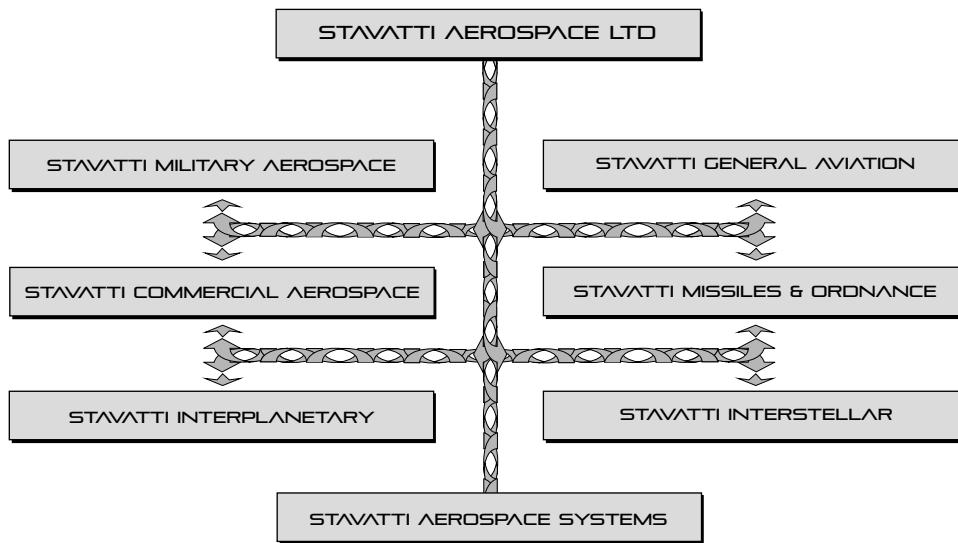
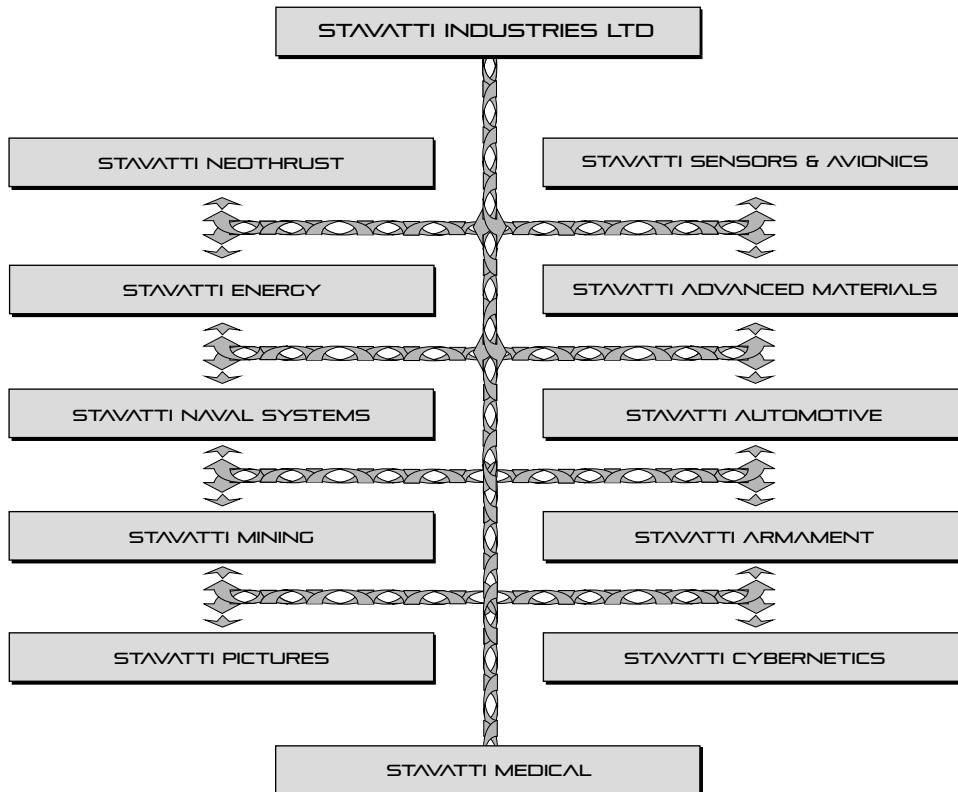
To enable the greater participation of strategic partners in specific Stavatti projects, many new Stavatti products will be produced by stand-alone, joint venture companies owned in part by Stavatti Aerospace and by strategic partners/investors. The SM-29 aircraft line, for instance, may be produced by a company known as "Stavatti Super Fulcrum Ltd." which is jointly owned by Stavatti Aerospace Ltd. and the strategic partners/investors responsible for providing the capital investment necessary to complete SM-29 program development, qualification and the initiation of Low Rate Initial Production (LRIP).

Using this model strategic partners may invest directly into specific projects that they have a direct interest in while Stavatti itself is free to engage in a wide variety of diversified business initiatives. In so doing, Stavatti is a diversified enterprise that will benefit from a high degree of stability even in times of industry or market instability. In so doing, Stavatti has a mechanism to incorporate businesses external to Stavatti into the Stavatti family of companies through business acquisition. This in turn results in Stavatti being conceptually similar to General Dynamics. Following the General Dynamics (GD) model, Stavatti itself is a technology holding company and future conglomerate focused primarily upon aerospace defense. Stavatti does have specific products which it has developed and will produce in our own facilities (similar to how the F-111 and F-16 were developed and initially produced by GD). Stavatti will also acquire existing companies that have a direct correspondence to our business focus (much as how General Dynamics acquired Convair, Chrysler Defense, Gulfstream Aerospace, General Electric Armament Systems, Control Data, Veridian Corporation and many other companies).

STAVATTI SUPER FULCRUM LTD

Developed by the Military Aerospace Division of Stavatti Aerospace Ltd the SM-29 upgrade program may be conducted by Stavatti Super Fulcrum Ltd: a new C corporation that will be organized specifically to provide the SM-29 Super Fulcrum upgrade as developed by Stavatti Aerospace under the Stavatti brand and trademark. The mission of Stavatti Super Fulcrum Ltd will be to develop and provide the SM-29 upgrade, including derivatives and variants to customers worldwide. Stavatti Super Fulcrum Ltd will be licensed by Stavatti Aerospace to provide the upgrade to allied customers worldwide from manufacturing and support centers both in the USA and worldwide. Stavatti Super Fulcrum Ltd will be owned in-part by Stavatti Aerospace Ltd and Investors/Strategic Partners who provide direct equity funding or debt financing for new Stavatti military aircraft development and production launch. Stavatti Stavatti Super Fulcrum Ltd may realize total upgrade sales of 540 or more over program life-span.

STAVATTI COMPANIES**STAVATTI LEADERSHIP**

STAVATTI AEROSPACE ORGANIZATION**STAVATTI INDUSTRIES ORGANIZATION**

LEADERSHIP TEAM & EMPLOYMENT

Stavatti Aerospace is led by Chairman and CEO, Christopher R. Beskar. Mr. Beskar is Stavatti's Strategic Leader and Chief Designer. Mr. Beskar founded Stavatti Aerospace Ltd in 2014. Supporting Mr. Beskar, Stavatti is guided by a qualified management team and board of directors including:



Chris Beskar
Chairman & CEO



Bill McEwen
COO



Jeffrey A. Gongoll
Secretary



John R. Simon
CEO Stavatti Niagara,
CSD & A Officer &
Director



Richard E. Guild
Director of
Military Aerospace



Robert C. Sugarman
Chief Scientist &
Director of HF



David Wilcock
Director of
Advanced Technology



Norman K Edwards
Director of Finance



Dimitriy Giebelter
Executive VP



Brian D Colvin
Vice President &
Director of UAS



Adarsh Deepak
Director of
Aerosciences



Stuart E. Cart
Director of
Innovation



Wendell Maddox
Vice President
DoD Marketing



Jeff Peer
Director of
Flight Testing



Michael J. Green
Director of
Next Gen Aerospace



Rich Knoll
Consultant



Wyman Howard
Director of
Performance-Leader
Development



Mikhailo Satanivskyi
Director Of Aviation
For Stavatti Ukraine



Vlad Boryshpolov
Director of
Aviation Safety



Sergiy Tsikhotsky
Director Of
Stavatti Ukraine

Stavatti has an established organization and corporate culture. Stavatti's leadership approach emphasizes growth and individual achievement. Concentrating upon a leadership driven methodology, that emphasizes individual responsibility, Stavatti is focused upon "leadership" rather than "management." Individuals employed on Stavatti program teams are of significant talent and ability with substantial industry experience with prominent aerospace defense prime contractors, the DoD or allied Air Forces. A lean enterprise, Stavatti benefits from a tightly-knit organization that has a singular goal: produce a fantastic product.

Christopher R. Beskar

Founder & CEO, Stavatti Aerospace



Chris Beskar is the founder and CEO of Stavatti Aerospace, Ltd. The creative force driving Team Stavatti, Chris is responsible for the design of its aircraft, as well as the company's strategic direction.

A father, a thinker, an artist, an aviator, an entrepreneur, an industrialist, a physicist, a futurist and an engineer, Chris's workday focuses on the advancement of aerospace, transportation, defense, powerplants and propulsion systems, materials and energy technologies. A vocal advocate for Close Air Support (CAS), Chris is responsible for the SM-27 Machete and SM-28 Jet Machete all-weather attack aircraft.

Revolutionizing aerospace, in concert with the Machete family, Chris is spear-heading next generation projects including the SM-150 Sport Aircraft, the SM-26 Sleek Sportplane, the SM-36 Stalma Multi-role fighter, SM-39 Razor Air Dominance Fighter and others. Committed to dramatically reducing the cost of general aviation while increasing aircraft utility and cabin comfort, Chris is also concentrating upon new sport aircraft that are affordable to own and operate.

Flying airplanes since the age of nine, Chris was introduced to aviation by his father, a commercially rated flight instructor and Alaskan Bush Pilot. Designing his first airplane while in the eighth grade, by the tenth grade Chris had submitted an unsolicited proposal for an advanced fifth generation fighter aircraft to a DoD user agency. The positive reception and subsequent project development funding resulting from that proposal launched his career in the field of military aircraft design before he graduated high school. Culminating in a classified demonstrator project, this effort formed the foundation for future Stavatti combat aircraft designs.

Chris attended the University of Wisconsin-River Falls where he earned a BS in Physics and a Minor in History. While a sophomore he founded Stavatti Corporation to design and produce tomorrow's military, commercial, and general aviation aircraft as well as manned space vehicles. In 1995 while a junior in college he established a division of Stavatti called Stavatti Reconnaissance Systems (SRS) to satisfy special access/compartmentalized contracts focused on Intelligence Surveillance Reconnaissance (ISR) aircraft to support a defense intelligence customer. In 1996, while a senior, Chris was the Grand Prize Winner for the NASA TechBriefs Technology Transfer-Letter Writing Contest which focused upon the transfer of NASA spin-off technology to private industry.

Upon graduation, Chris joined Stavatti full-time. In April of 2014 Chris reorganized the company, founding Stavatti Aerospace Ltd. Chris is currently the CEO and Chief Designer for Stavatti Aerospace. Initially concentrating upon air defense fighters, Stavatti's focus has broadened to include the diverse array of new designs now under development today forming the basis of an enterprise that will last generations to come.

Chris has also served on the Boards of a variety of other companies including Hybrid Technology (a manufacturer of Oil Industry equipment), the Yakataga Mining Company and from 2008 until 2014, Skytruck, Inc, a new aircraft company based in New Orleans, LA. Actively pursuing a variety of new technology and business endeavors, Chris has developed proprietary high performance alloys for aerospace structural and military ballistic protection applications, has pioneering innovative approaches to controlled high temperature Hydrogen-Boron fusion and is laying the foundation to establish enterprises to produce manned interplanetary and interstellar spacecraft.

With respect to professional associations, Chris has been a member of the American Institute for Aeronautics and Astronautics (AIAA) where he was the youngest member to ever serve on the Technical Management Committee where he served as the Chairman of the Awards Subcommittee for the Hap Arnold and Von Braun Awards for Excellence in Aerospace Program Management from 2003 through 2013. Chris has also been a member of the AFA, EAA, AOPA, Society of Physics Students and other associations.

As a private pilot, Chris has over 2,000 hours in various aircraft.

LEAN DEVELOPMENT CYCLE

The aircraft development and business activities of Stavatti Aerospace as summarized will be conducted using “Lean” practices that follow a business model known as the “Stavatti Approach.” The Stavatti Approach applies lessons learned from highly effective and historically successful aircraft development and production organizations to result in an operational model to rapidly develop and produce innovative, game changing aircraft at minimum cost. The Stavatti Approach borrows from the methodologies employed by Lockheed Skunk Works, North American Aircraft, McDonnell Aircraft, Dassault and Gulfstream Aerospace to result in a hybrid advanced development and manufacturing company that can realize the rapid and low cost development of extraordinary aircraft and products.

This model is a direct reflection of the development approach that resulted in successful aircraft programs including the B-17, U-2, Mirage IV, P-51, XF-80/P-80, Lockheed Jetstar, B-25 and B-29 all of which required fewer than 10 engineering hours per pound of aircraft empty weight to design develop and prototype prior to prototype first flight. Reviewing specific aircraft, the Lockheed XP-80 was designed by 23 engineers in 143 days while the Lockheed Jetstar was designed by a team of 41 in 241 days. Similarly, the sophisticated twin engine Mach 2.4 Dassault Mirage IV was designed by a team of 85 engineers in 11 months. This model is a counter to the development models of the last 30 years that resulted in excessively expensive aircraft development and procurement programs including the Northrop B-2 Bomber, the Lockheed Martin F-22 and F/A-13 and the cancelled A-12 Avenger II.

Focused on shortening the design cycle, Stavatti’s lean approach utilizes “Skunk Works” inspired techniques whereby a tight-knit group of talented engineers focus upon the development of an aircraft for which there are explicitly defined requirements. Combining advanced computer aided design and analysis tools, Stavatti’s use of SolidWorks CAD in conjunction with both native and stand-alone CFD, FEA, flight dynamics and RCS modeling software effectively reduces the engineering hours associated with traditional aircraft design by a factor of 50% to 80%. Coupled with Stavatti’s advanced knowledge of aerodynamics and materials science, Stavatti has the ability to design a modern aircraft two to five times faster than was possible 40+ years ago when the F-14, F-15, F-16 and A-10 were designed.

HISTORICAL AIRCRAFT ENGINEERING HOURS

Aircraft	Engineering Hours	Empty Weight (lbs)	Engineering Hour Multiplier
B-17	85,000	36,135	2.35
U-2	36,755	13,870	2.65
P-51	41,880	7,635	5.49
XF-80	59,202	9,420	6.28
Jetstar	177,858	24,740	7.19
Mirage IV	280,500	31,967	8.77
XB-25	200,000	21,120	9.47
XB-29	1,433,026	74,500	19.24
B-52	4,000,000	185,000	21.62
A-12 (SR-71)	1,920,000	54,600	35.16
B-47	3,464,000	79,074	43.81
DC-10	12,000,000	240,171	49.96
XB-70	15,000,000	253,600	59.15
YF-17	1,400,000	21,000	66.67
F-15A	2,500,000	28,000	89.29

Engineering Hour Multiplier (EHM) = Engineering Hours/Empty Weight

Implementing an approach that parallels the rapid engineering and development cycles of aircraft including the B-17, U-2, P-51, P-80, Jetstar and Mirage IV, Stavatti employs two distinct development models: One for the prototyping of an aircraft during Demonstration and Validation (Dem/Val) and a second used in the Full Scale Development (FSD) of a new aircraft. The first model, used to calculate Dem/Val development costs, focuses upon the design of all proposed Stavatti aircraft assuming an Engineering Hour Multiplier (EHM) of 9.0 Engineering Hours per pound of aircraft empty weight. This assumes that all Stavatti aircraft will be developed and engineered in a manner that is effectively equivalent to the design process used to develop and prototype the Mirage IV bomber. Including an estimated 50% increase in productivity due to SolidWorks and CATIA CAD systems of the engineering design tools of 1959 when the Mirage IV first flew, Stavatti’s actual design methodology is effectively similar to that used in B-52 engineering design. The result is a fully operational prototype aircraft that can enter flight testing and certification within 12 to 24 months of program launch, depending upon design complexity. For FSD, Stavatti assumes an EHM of 90.0 which is greater than that of the F-15A, YF-17, DC-10, B-47, XB-70 or A-12/SR-71. This ten-fold increase in EHM provides a more conservative engineering cycle to ensure production engineering is completed to a greater level of detail and quality as the highly successful F-15 program. Recognizing that the F-15A was designed in an era before CATIA, SolidWorks or CFD/FEA, Stavatti’s commitment to F-15A or greater engineering levels while including these tools in the engineering cycle ensures that a new design will be fully engineered and validated to a level sufficient to result in an excellent, world premier aircraft.

MANUFACTURING TECHNOLOGY

Stavatti Aerospace prides itself on the utilization of the most advanced manufacturing technologies available to produce new design as well as legacy aircraft. To create the most advanced aerospace vehicles imaginable, the manufacturing technology must be equally sophisticated. Stavatti marries the latest engineering and design tools with next generation manufacturing and production systems to arrive at a synergistic solution to enable the production of highly complex parts produced from high performance and exotic materials.

Stavatti Aircraft benefit from unprecedented shapes and configurations, highly advanced materials and breakthrough structural arrangements and assembly techniques. Featuring eloquent and complex shapes, the physical configurations of Stavatti aircraft incorporate significant levels of compound curvature. Exceeding the compound curvature found in the Dassault Mirage 2000 and Rafale fighters that lead to the creation of CAD software such as CATIA, Stavatti aircraft require very advanced computer modeling to engineer and very advanced computer controlled production and manufacturing technologies to create. Combining breathtaking shape and form with advanced metal alloys requires very advanced manufacturing technologies. To create aircraft fuselage, wing and tail skins Stavatti turns to advanced forms of hydroforming, laser forming, robot forming and even explosive forming in addition to traditional stretch-forming techniques. These techniques allow Stavatti to form both exotic alloy sheet material, including titanium and scandium aluminium, as well as complex structural forms including foam metal sandwich and honeycomb sandwich skins.

Embracing the widespread use of high performance materials, Stavatti is a pioneer in the use of proprietary materials including titanium diboride ceramic metals, scandium alloys, tungsten alloys and iridium alloys. Off-the-Shelf materials supplied by leading industry team members such as Arconic include aluminium lithiums such as 2090 and 2099. Benefiting from high strength titaniuns, stainless steels and industry unique materials including Inconel and Elgiloy, Stavatti focuses upon metals and ceramic metals for aircraft primary structures. Stavatti also focuses upon the development and production of proprietary foam metal sandwich structures, including aluminum and titanium foam metal sandwich skins, bulkheads, frames, wings and empennage structures.



Production of Stavatti aircraft concentrates heavily upon the use of robotic systems to perform laser welding, friction stir welding, cutting, machining and highly duplicative assembly processes. Stavatti is concentrating upon the use of Additive Manufacturing including 3D Printing, very high density Directed Light Fabrication (DLF) and H-Electron Beam Melting (HBM) for the production of unique structural components that are too complex for traditional machining. Use of robotic forming, cutting, welding and assembly dramatically reduces aircraft production times by a factor of three or more. Applying automotive style manufacturing technologies and techniques, Stavatti is a production-line centric organization that embraces robotics and robotic welding as an alternative and successor to traditional riveted skins construction.

With an emphasis upon cutting using waterjets and lasers as well as hydroforming, robotic metal forming, laser forming hydroforming, additive manufacturing, CNC machining, Electron Beam Welding, EDM, Stavatti's production line will derive substantial benefit from the deployment of highly advanced manufacturing approaches, reducing both production and assembly time as well as cost while dramatically improving quality. Focusing upon the application of foam metal sandwich structures, advanced high temperature cermets, aluminium and titanium scandium alloys and many more proprietary materials and structural methodologies to aerospace, the Stavatti manufacturing floor will present a near clean-room level environment as components are integrated with greater tolerance levels than most aircraft manufacturers can achieve. Applying these techniques to both new design and Stavatti legacy aircraft, ranging from the SM-66 to the SM-29, Stavatti will pioneer, prove and benefit from the aircraft factory of the future.

PROGRAM APPROACH

Stavatti aircraft are developed and produced by a specific Stavatti program/project team that draws from the strategic leadership, management and enterprise assets of Stavatti Aerospace Ltd. From a business perspective, each project is undertaken as a stand-alone, independently incorporated business that is owned in-part by Stavatti Aerospace and in-part by a joint venture Strategic Partner. Organized to enable each aircraft program to be independently managed and financed while isolating the greater Stavatti Aerospace enterprise from liability exposure, all aircraft projects will involve engineering, development and production elements contributed by partners throughout the aerospace enterprise. Drawing from the capabilities of established engineering development partners, Stavatti is able to undertake multiple advanced aircraft development and production projects simultaneously through the orchestration and proper deployment of capable teams. Stavatti has significant capabilities to draw from and well over 1,500 qualified persons throughout the US and worldwide to immediately implement our vision.

ENGINEERING & DESIGN

Stavatti conducts the complete engineering design and development of new aircraft beginning with concept development, through advanced and detail design phases. Engineering includes completion of concept and feasibility studies, business planning, Computational Fluid Dynamics (CFD) and Finite Element Analysis (FEA), engineering and detail parts design using tools including SolidWorks Premium and CATIA. Wind tunnel testing will likely be contracted to centers including Calspan, NASA Langley, NASA Ames and NASA Glenn. Wind tunnel testing may also be conducted at university wind tunnels including those of Wichita State, the Air Force Academy and others. Stavatti is responsible for all aspects of engineering and serves as program lead for all projects. Stavatti currently has engineering teams at locations worldwide and can delegate engineering activities per strategic partnership agreements. Stavatti's engineering philosophy emphasizes the importance of superior concept design married to sound business plans that address valuable niche markets or clearly apparent commercial opportunities. From a solid concept, advanced and detailed engineering is conducted using a Skunk Works style integrated project team.

FLIGHT TEST & CERTIFICATION

Stavatti Aerospace will conduct Flight Testing using contracted flight test centers including the Air Force Flight Test Center (AFFTC) at Edwards AFB. Stavatti naval aircraft may be flight tested at NAS Pax River. Stavatti can also perform flight testing at dedicated facilities throughout the USA and New Zealand. Stavatti may contract Calspan to provide In-Flight Simulation of aircraft flight control laws prior to first flight. Stavatti's benefits from in-house DERs for certification with an emphasis upon certifying aircraft to the FAA FAR Part 23 and FAR Part 25 standard as required. Military aircraft are certified to Military 516B standards. Stavatti has teamed with Aerospace Engineering Solutions International (AESI) of Phoenix, AZ to manage and perform FAA flight test and certification of new design Stavatti as well as legacy aircraft.

PROTOTYPING

Stavatti Aerospace will produce all prototype aircraft in-house from systems, components and major sub-assemblies produced by qualified industry team members. Stavatti benefits from a 100+ member industry team to supply the highest quality systems for final in-house integration and assembly. Stavatti will perform primary assembly, systems integration and flight check of all production aircraft at a Stavatti Final Assembly Plant. Immediate prototyping and production work will be conducted primarily at facilities in New York, California and Virginia with full scale production conducted in the USA and other sites, in particular strategic partner nations. Stavatti conducts all prototyping using low cost, flexible tooling and rapid prototyping methods, including laser metal sintering for low volume prototyping.

PRODUCTION CENTERS

Initial Stavatti prototype aircraft production is anticipated to be conducted at an aircraft production center in Niagara Falls, NY and at other locations. Final assembly of aircraft will occur at either existing or new build manufacturing and assembly plants at present or alternative locations. Stavatti will establish primary production facilities in the USA. An overview of current and planned production centers is provided:

STAVATTI™
HEADQUARTERS &
PROTOTYPING CENTER

9400 Porter Road
Niagara Falls
NY, 14304

On 30 October 2020 Stavatti acquired the former US Army Reserve Center (USARC) to serve as both an interim headquarters as well as a Prototype Development Center (PDC) and a manufacturing facility that can support, prototyping, engineering development, flight test, special projects, DACT programs and Low Rate Initial Production (LRIP). Located at 9400 Porter Road, Niagara Falls, NY 14304, the USARC facility is located at the Niagara Falls International Airport (KIAG) and has direct access to the airport runway. The USARC facility, also known as Area Maintenance Center #76, was declared surplus Federal property in 2011 by the Department of Defense under the Base Realignment and Closure (BRAC) process after which it was acquired by the Town of Niagara, NY. In April 2019, the Town of Niagara sold the vacant USARC to a private party. Stavatti entered into a Purchase Agreement to acquire the facility in June 2020 and achieved the rezoning of the 19.8 acre property to Heavy Industrial in September 2020.

The USARC totals more than 173,358 sq ft including Building 4 which is in excess of 47,000 sq ft of aircraft hangar. One of the largest hangars in North America, the hangar has in excess of 190 feet clear span, east and west, and hangar doors with a center height of 52 ft. Offering over 33,000 sq ft of attached office space on the north side and the south side of the hanger, with a heated hangar floor, a 5 ton loading crane and numerous offices, Building 4 provides Stavatti with numerous engineering, prototyping options. This ceiling height and clear span hangar doors of over 150 ft will allow Building 4 to serve as a superior prototyping center for large Stavatti aircraft including the SM-100 and SM-920. Building 4 may also serve as a special operations center in support of future Stavatti Dissimilar Air Combat Training (DACT) as well as potential home for the SM-29 Super Fulcrum upgrade program.

In addition to the main Building 4, the USARC facility also features Building 4S which is a two-story building of approximately 47,000 sq ft attached to the south of the hangar. Building 4N is a 19,000 sq ft building that is attached to the north of the hangar. Both Building 4S and 4N contain classrooms, offices, common areas and security vaults. With extensive fenced and paved outdoor storage facilities and areas, the site also has a 10,000 sq ft former military vehicle maintenance and repair facility as well as additional buildings that range in size from 2,400 sq ft to 25,000 sq ft. Numerous air and ground transport maintenance and garage facilities are on site as well as office, fabrication, storage, warehousing, laboratory and machine shop facilities.

PRODUCTION FACILITY SPECIFICATIONS

FACILITY NAME:	Former US Army Reserve Center
ADDRESS:	9400 Porter Road
CITY	Niagara Falls
STATE, ZIP	New York, 14304
FACILITY SIZE (Sq Ft)	173,358
LAND AREA (Acres)	19.8
ZONING	Commercial Heavy Industrial
OWNERSHIP	Owned by Stavatti
OCCUPY	2020
LOCATED AT AIRPORT	Yes
RUNWAY ACCESS	Yes
AIRPORT NAME	Niagara Falls International (KIAG)



STAVATTI™

PROPRIETARY

SM-29

Potential Aircraft Production Site

Niagara Falls International Airport (KIAF)

Bell Plant & SNAPPER

NAME: Niagara Falls International Airport

SITE: Former Bell Aircraft Plant & SNAPPER

LOCATION: 4 nm E of Niagara Falls, NY

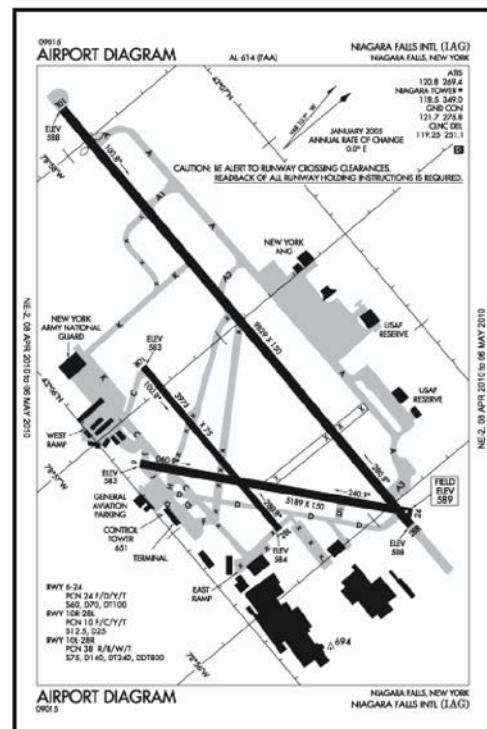
ADDRESS: 72221 Niagara Falls Blvd, Niagara Falls, NY 14304

FACILITY: The Niagara Falls International Airport is home to the Former Bell Aircraft Plant, now known as the Wheatfield Business Park (WBP), as well as SNAPPER (Stavatti Niagara Aeronautical Prototype Production Engineering & Research) Center. The WBP has 1,772,559 sq ft of aircraft production, warehouse and office space located on 93.8 acres. In addition to the WBP, Stavatti acquired the 150,000 sq ft SNAPPER facility located on 19.8 acres to serve as a headquarters and prototyping facility on 30 October 2020. In addition to these existing facilities over 300 acres of airport adjacent land is available for development by Stavatti.



HISTORY: The Niagara Falls International Airport was established in 1928 as a city-owned municipal airport. During World War II, the United States Army Air Forces assumed control of the airport and upgraded its facilities to be used as an Army Air Force base. In 1940 the Bell Aircraft plant was built. The plant produced 9,588 P-39 Airacobras until production ended in 1944. The plant produced over 3,600 P-63 Kingcobras as well with peak employment of 36,000 during WW II. The plant also produced the P-59 Airacomet, the 47B helicopter, the X-1, X-2, X-5 and many other aircraft including the X-22. Textron purchased Bell Aerospace in 1960, moving principal helicopter production to Texas. Bell Aerospace/Textron continued to operate the facility well into the 1980s. The Facility is currently leased as a multi-tenant facility with tenants including Lockheed Martin. The WBP may be acquired by Stavatti.

AIRFIELD: The airport is positively controlled with a control tower. The airport property is 1,067 acres with three hard-surface runways. With facilities to support 747 aircraft, the airport can handle both commercial passenger and cargo traffic. The airport was home to the Niagara Falls Air Reserve Station including the 914th Airlift Wing (C-130s) and the NYANG 107th Air Refueling Wing (KC-135).



Airport Type: Public

Elevation: 589 ft MSL

Runways: 6/24 at 5,189 ft x 150 ft
10L/28R at 10,825 ft x 150 ft
10R/28L at 3,973 ft x 75 ft

Aircraft Operations (2006): 45,512

Sectional Chart: Detroit



STAVATTI™

STAVATTI UKRAINE

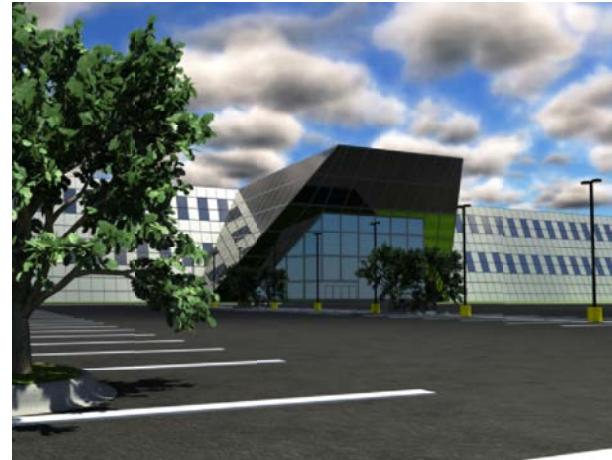
PROPOSED VINNYTSIA PLANT

Stavatti Ukraine
Kyivs'ka Street 4
Suite 217
Vinnytsia, 25000
Ukraine

Stavatti has committed to the production of the SM-29 Super Fulcrum as well as the SM-31S/T Stiletto in Ukraine for the majority of aircraft delivered to the Ukrainian Air Force (UAF). The production of the SM-29 will focus on the upgrade of existing UAF MiG-29s in Ukraine using integrated systems and upgrade kits provided by Stavatti in the USA. The production of the Stiletto will focus upon the final assembly of the aircraft in Ukraine with the production of the airframe structure, in whole or in part, in Ukraine. Stavatti recognizes that many critical aircraft systems, including powerplant and APU, can be produced for the Stiletto in Ukraine. Stavatti is engineering the SM-31 to benefit from the Motor Sich AI-322F family of powerplants and the aircraft may also incorporate a Motor Sich APU. Additional systems including aircraft ejection seat, primary structures, electrical systems, gun armament and even air-to-air missiles may be produced in Ukraine. To facilitate production of the Stiletto in Ukraine, Stavatti is now committed to produce the SM-29 and SM-31 at a new aircraft factory established and managed by Stavatti Ukraine.

STAVATTI UKRAINE

On 14 November 2017 Stavatti Ukraine was founded in Vinnytsia, Ukraine by Stavatti representatives. Serving as a Ukrainian Subsidiary, Stavatti Ukraine is a Ukrainian company organized under the laws of Ukraine. Focused upon serving as a Stavatti Aerospace Defense manufacturer orientated towards satisfying the needs of the Ukrainian Ministry of Defense, Stavatti Ukraine will operate as a diversified defense enterprise. Focused on advancing the SM-31 program, Stavatti Ukraine will undertake the production and assembly of the SM-31 in Ukraine. In so doing, Stavatti Ukraine will become a Ukrainian Aircraft Manufacturer committed to the production of Stavatti military and civil aircraft. Focused primarily upon satisfying the domestic needs of the Ukrainian Air Force, Stavatti Ukraine will produce the SM-31 and other Stavatti aircraft for customers throughout Europe, Asia, the Middle East and Africa.



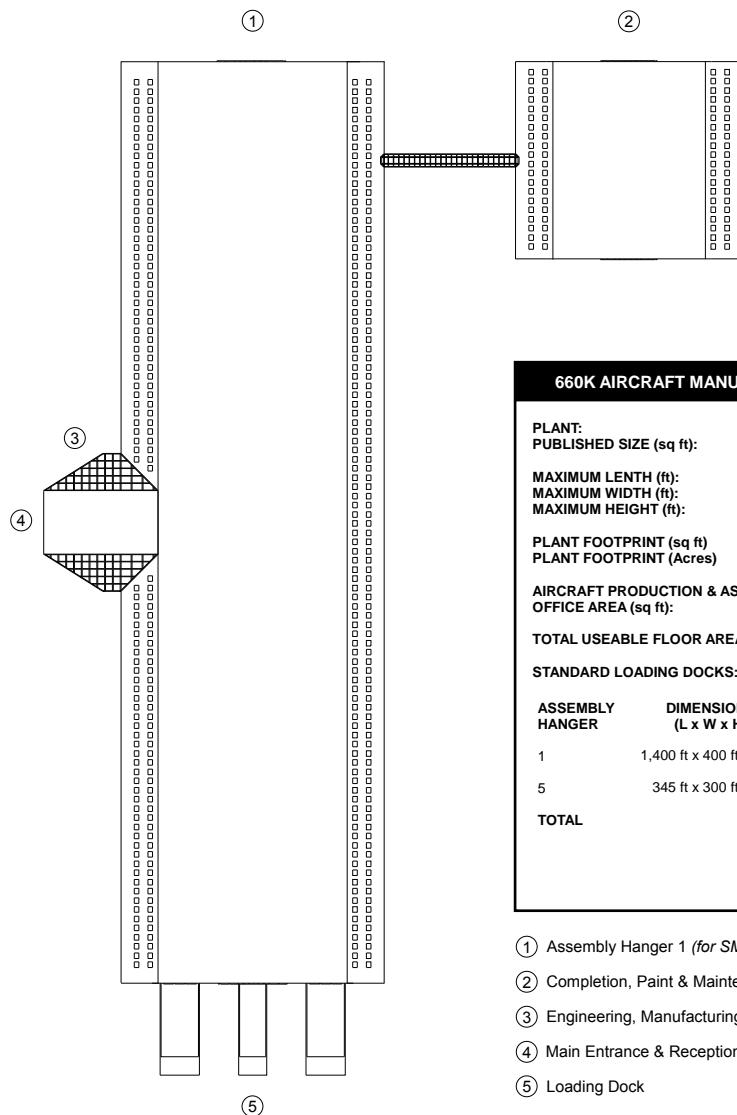
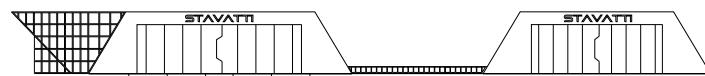
Part of the global Stavatti enterprise, Stavatti will integrate new production aircraft with components and systems produced in the United States (by Stavatti Aerospace, Ltd) and by suppliers worldwide into production assemblies built in Ukraine to result in a finished production aircraft that is assembled in Ukraine.

PROPOSED VINNYTSIA PLANT

After a comprehensive internal research and evaluation process, Stavatti has selected the Havyrivshivka Vinnytsia International Airport (Vinnytsia) as a potential future site for the establishment of a Stavatti Ukraine aircraft manufacturing plant and assembly campus dedicated to the production of the SM-31 aircraft. Benefiting from an 8,202 ft hard surface runway, ample available development land for commercial operations and both commercial airline and military flight operations, the Vinnytsia airport has been identified as an excellent site at which to establish a new factory.

The Vinnytsia Plant will consist of a three building campus including one Administrative, Engineering and Support Center (totalling 100,000 sq ft) that is physically connected to a dedicated Aircraft Manufacturing and Final Assembly Plant (totalling 560,000 sq ft) resulting in a facility with a total combined floor area of 250,000 sq ft. The third building for the center is the Maintenance and Support Center which will total 103,500 sq ft resulting in a total production campus that measures 763,000 sq ft. Designed for future growth, the Final Assembly plant as planned will measure 1,400 ft long and 400 feet wide with a main hanger door that measures 250 ft wide and 75 ft tall, allowing for the production of future larger cargo and transport aircraft. Planned for growth, the plant has clear spans of approximately 250 ft allowing for the production of long wingspan aircraft. Dedicated to manufacturing, the Vinnytsia Plant will be equipped with the latest abrasive water jet, laser cutting, laser welding, friction stir welding, robotic production, foam metal sandwich production, composites fabrication and systems integration technologies to result in a factory that can produce the most state of the art aircraft. Employing between 400 and 1,000 individuals, the Vinnytsia plant will produce 50 to 100 aircraft annually. Construction of the proposed Vinnytsia Plant will be funded through financing associated with SM-29 and SM-31 orders and contracts through the Ukrainian Air Force.

PROPOSED VINNYTSIA AIRCRAFT PRODUCTION PLANT LAYOUT



660K AIRCRAFT MANUFACTURING & ASSEMBLY PLANT

PLANT:	660K Aircraft Manufacturing Plant		
PUBLISHED SIZE (sq ft):	660,000		
MAXIMUM LENGTH (ft):	1,400		
MAXIMUM WIDTH (ft):	400		
MAXIMUM HEIGHT (ft):	95		
PLANT FOOTPRINT (sq ft)	682,746		
PLANT FOOTPRINT (Acres)	15.67		
AIRCRAFT PRODUCTION & ASSEMBLY AREA (sq ft):	663,500		
OFFICE AREA (sq ft):	100,000		
TOTAL USEABLE FLOOR AREA (sq ft):	763,500		
STANDARD LOADING DOCKS:	10		
ASSEMBLY HANGER	DIMENSIONS (L x W x H)	FLOOR AREA (Sq Ft)	DOOR DIMENSIONS
1	1,400 ft x 400 ft x 95 ft	560,000	250 ft x 75 ft
5	345 ft x 300 ft x 95 ft	103,500	200 ft x 75 ft
TOTAL		663,500	

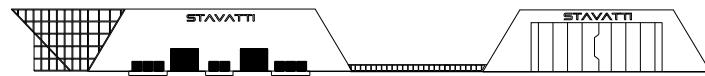
① Assembly Hanger 1 (for SM-31 Production)

② Completion, Paint & Maintenance Hangar

③ Engineering, Manufacturing & Leadership Office

④ Main Entrance & Reception

⑤ Loading Dock



Drawing Scale: 1/3,500

Potential Aircraft Production Site**Vinnytsia International Airport (UKWW)****Havryshivka/Vinnytsia Region, Ukraine****NAME:** Vinnytsia**SITE:** New Build Facilities (300,000 sq ft to 700,000 sq ft)**LOCATION:** 1 km Southwest of the village of Havryshivka**ADDRESS:** T0231. Vinnyts'ka Oblast, Ukraine

FACILITY: Stavatti will be building a new production facility at the Vinnytsia International Airport known as the Vinnytsia Plant. The plant will consist of a three building campus including one Administrative, Engineering and Support Center that is physically connected to a dedicated Aircraft Manufacturing and Final Assembly Plant. The third building for the center is a Completion and Maintenance, Repair and Overhaul (MRO) Center. Conceived to serve as a Stavatti aircraft manufacturing and assembly plant, secondary functions of the facility may be to serve as an MRO center for the support of Ukrainian military aircraft under contract as well as the assembly and production of Antonov aircraft under contract. Designed for future growth, the Vinnytsia plant may measure from 300,000 to over 500,000 sq ft allowing for the production of future larger cargo and transport aircraft. The plant will have wide clear spans allowing for the production of long wingspan aircraft.



HISTORY: The Vinnytsia International Airport was established in the early 1950s. Serving as both a military and civil airport, in 1952 the airport handled 2,000 passengers and 160 tons of mail and cargo. In 1954 the 94th military aircraft squadron became based at the airport and between 1952 and 1962 a terminal complex was built. In 1976 construction of a 2,200 meter long runway was completed to allow the operation of IL-18 aircraft. In the late seventies, the runway was extended to 2,500 meters. The airport became a central transportation hub offering direct flights to Moscow, Kiev, Minsk, Riga, Donetsk, Lugansk, Chernivtsi, Zaporizhzhya and other cities. In 1993, the airport became an independent legal entity. At the end of 2001 the airport transferred from state ownership to regional ownership.



AIRFIELD: The airport is positively controlled with a control tower. The airport property is 556 acres with one hard-surface runway. Airfield characteristics include:

**Airport Type:** Public**Elevation:** 3,196 ft MSL**Runways:** 13/31 at 8,202 ft**Annual Passengers (2017):** 52,000**Website:** www.airvinnitsa.com

TEAM STAVATTI

Success of Stavatti aircraft, from prototype to production, will result from the combined efforts of Team Stavatti and its Industry Team Members (ITMS). As the Prime Contractor and Systems Integrator, Stavatti is responsible for the design, qualification, final assembly and support of the all Stavatti aircraft. The design, manufacturing and production of airframes will be performed largely in-house by Stavatti. Major aircraft components, including specific wing and fuselage modules, aircraft powerplant, landing gear, wheels and brakes, armament systems, avionics, canopy, flight control systems, electronic warfare systems, etc. will be designed and produced by the proven contractors on Team Stavatti.

Leading ITMs will include General Electric Aircraft Engines, Raytheon Technologies (including Collins Aerospace and United Technologies), L3Harris, Arconic, Lockheed Martin, Carlton, BAE Systems, Spirit Aerostructures, General Dynamics, Northrop Grumman, Martin Baker, Texstars, CAE USA, ITT, Esterline, Triumph and others. Stavatti will contract over 200 different ITMs located in over 20 states. An international program, Stavatti ITMs will include resident businesses of more than 7 allied nations. Stavatti industry team members are ISO 9000/9001/9002 certified and will meet the AS/EN/JISQ9100 standard.

SM-29 SUPER FULCRUM ABRIDGED INDUSTRY TEAM (A-D)

TEAM MEMBER	COMPONENTS	LOCATION
Aero Gear Inc.	Aerospace Gears	Connecticut
AeroControlex	Heated Pitot	Ohio
Aero Design & Manufacturing, Inc.	Aeroequipment Machining & Assembly	Arizona
Aerotonics	Simulation Systems	Ohio
AGC Acquisition LLC	Airframe Components	Connecticut
Alcoa	Aluminum	Pennsylvania
Alliance Machine, Inc.	Machined Components	Minnesota
Andrea Electronics Corporation	Intercom	New York
Arconic	Aerospace Metals	Pennsylvania
Astro Spar Arden	High Speed Machining & Assembly	California
ATI	Metals	Pennsylvania
BAE Systems-Sensor Systems	ALQ-239 DEWS	New Hampshire
BAE Systems	ECM; AN/ALE-47 TACDS	Texas
BAE Systems	IFF; Flight Control System	New York
Ball Aerospace	Aerospace Components & Systems	Colorado
Bandy Manufacturing	Aerospace Hinges	California
BASF Aerospace Materials and Technologies	Aerospace Materials	Michigan
Beaver Aerospace	Actuators	Michigan
Belden Universal	Aerospace Universal Joints	Illinois
Bell-Memphis	Control Hardware	Tennessee
Benecor, Inc.	Honeycomb Structures	Ohio
Boeing	Aerospace Structures	Washington
Bristol	Aerospace Fasteners	California
Cadence Aerospace	Aerostructures & Aeroequipment	California
CAE USA	Full Flight Simulator (FFS)	Florida
Calspan	Wind Tunnel Testing/Simulation	New York
Carlton Life Support	OBIGGS & OBOGS	Iowa
CMC Electronics	Displays & HUD	Illinois
Crane Aerospace & Electronics	Landing & Power Systems	California
CMT Inc.	Precision Manufacturing	Arkansas
Cobham Advanced Electronic Solutions	Radar Countermeasures	Virginia
Cobham Mission Systems	Munitions Carriage Systems	New York
Collins Aerospace Avionics	Sensors & Avionics	Iowa
Collins Aerospace Aerostructures	Aerospace Structures & Systems	California
Collins Aerospace Mechanical Systems	Aerospace Mechanical Systems	North Carolina
Collins Aerospace Mission Systems	Military Avionics & Communications	Iowa
Collins Aerospace Power & Controls	Aerospace Electrical Systems	Connecticut
Concord Battery Corporation	Aircraft Batteries	California
Cubic	Training Solutions	California
Curtiss-Wright Corporation	Aerospace Systems & Components	North Carolina
Cyril Bath Company	Aerospace Metal Forming	North Carolina
Cytec Industries, Inc	Composite Resins	New Jersey
Dassault Systems	SolidWorks & CATIA	Massachusetts
Davtron	Digital Avionics	California

SM-29 SUPER FULCRUM ABRIDGED INDUSTRY TEAM (D-S)

TEAM MEMBER	COMPONENTS	LOCATION
DLS Data Link Solutions	AN/URC-138 Link 16	Iowa
Leonardo DRS	Aerospace Electronics and Structures	California
Dupont	Kevlar®	Delaware
DynCorp International	Aviation Services	Virginia
Eaton Corporation	Switches & Aerospace Systems	New Jersey
Enprotech	Stampings & Forgings	Ohio
Esterline Technologies Corporation	Avionics, Controls, Sensors and Materials	Washington
GE Aviation	F414 Powerplant	Ohio
General Dynamics Ordnance and Tactical Systems	20mm Cannon System & Ammunition	Vermont
Gentex	Flight Crew Helmets	Florida
Giddens Industries	High Speed Machining	Pennsylvania
GKN Aerospace-Camarillo	Aerospace Structures & Systems	California
GKN Aerospace-South Carolina	Aerospace Structures & Systems	South Carolina
GKN Aerospace-Arizona	Aerospace Structures & Systems	Arizona
Goodyear	Tires	Ohio
Hexcel	Composite Materials and Assemblies	Connecticut
Honeywell	Avionics, Powerplants, APU	Arizona
Howmet Aerospace Inc	Fasteners	Pennsylvania
Hutchinson, Inc.	Shock, Vibration & Motion Controls	California
Huck International, Inc	Fasteners	California
Hydraulics International, Inc.	Stores Handling/Loaders	California
IDD Aerospace	Integrated Switch Panels	Washington
Ion Corporation	Integrated Electrical Systems	Minnesota
ITT Aerospace	Aerospace Controls	California
Jamco Aerospace, Inc	Aerospace Electronics & Assemblies	New York
JCR Industries LLC	Aerospace Structures & Manufacturing	California
Jedco, Inc.	Aerospace Structural Forming	Michigan
Kollmorgen Corp	Motion Controls	Virginia
Korry	Cockpit Systems	Washington
L3Harris Technologies	Displays, ECM, EW, TACAN, MX-10D	Florida
Lockheed Martin Missiles and Fire Control	IRST21	Texas
MarathonNorco Aerospace	Aerospace Batteries	Texas
Mason Controls	Flight & Throttle Grip	California
Martin-Baker America	Ejection Seats	Pennsylvania
Maverick	Polyimide Composite Resins	Ohio
Moog, Inc.	Actuators, Instruments	New York
Mold Masters International	Precision Aerospace Parts	Ohio
Moeller	Aerospace Washers & Hardware	California
Monroe Aerospace	Aerospace Hardware	Florida
Woodward	Aircraft Flight Control Sytems	Colorado
Neill Aircraft Company	Aircraft & Aerospace Structures	California
Northrop Grumman	Aircraft and Aerospace Defense Systems	California
Northrop Grumman Mission Systems	Radar and Sensors	Maryland
North Atlantic Industries	Aerospace Electronic Components	New York
Omada International	Aerospace Structural Forming	Oklahoma
PacSci EMC	Energetic Materials	Arizona
Parker Aerospace	Hydraulic Systems	Michigan
PCC Schlosser	Titanium Investment Casting	Oregon
PDI Ground Support Systems	Munitions Trailers/Transports	Ohio
Perfekta, Inc	Aluminum Structures & Forging	Kansas
Precision Cast Parts	Aerospace Structures	Oregon
Precision Machine Works	Aerostructure Machining and Assembly	Washington
Prikos & Becker	Landing Wheel Components	Illinois
Quality Forming, Inc.	Titanium Hot Forming	California
Quartus Engineering	Aerospace Engineering Services	California
Raytheon	Avionics, Sensors, Powerplants, Missiles	Massachusetts
Raytheon Intelligence & Space	Radar, Electronic Warfare, EO/IR	Virginia
Raytheon Missiles & Defense	AGMs and AAMs	Arizona
RCS Performance Systems	Training Systems	New York
Rex Systems Inc.	IFF Transponder	Wisconsin
RTI International Metals	Titanium Components	Pennsylvania
Rolls Royce North America	AE2100 Derivative Alternative Powerplant	Indiana
Saint-Gobain Aerospace	Radome & Composites	Ohio
Saratech	Engineering and Additive Manufacturing	California
Sargent Fletcher: Cobham Mission Systems	External Tanks/In-Flight Refueling	Iowa

SM-29 SUPER FULCRUM ABRIDGED INDUSTRY TEAM (S-Z)

TEAM MEMBER	COMPONENTS	LOCATION
Scaled Composites	Composite Structures & Aircraft	California
Science & Technology Corporation	Source Codes/Integration	Virginia
SDS International, Inc.	Simulation & Training	Virginia
Senior Flexonics	Pneumatics	California
Sierracin	Canopies	California
SpectrumFX	Non-Halon Fire Suppression	Oklahoma
Spirit Aerosystems, Inc.	Primary Airframe Structure	Kansas
Standard Wire & Cable	Cable	California
Staco Systems	Aerospace Switches	California
Stretch Forming Corp.	Aerospace Stretch Forming	California
Symetrics Industries	Electronic Warfare	Florida
Techniform	Stretch Form Components	Texas
Tell Tool	Complex Machining	Massachusetts
Texas Instruments	Electronics	Texas
Texstars	Canopy	Texas
Timet	Titanium Components	Texas
3M Aerospace	Composites/Electronics	Minnesota
TransDigm Group Inc.	Actuators and Aerospace Systems	Ohio
Triumph Group Inc	Aerospace Structures & Systems	Pennsylvania
Tronair	Ground Support Equipment	Ohio
True Blue Power	Advanced Lithium Ion Battery	Kansas
Ulbrich Stainless Steels	Stainless Steel	Connecticut
Ultimate Hydroforming Inc	Aerospace Hydroforming	Michigan
Universal Alloy Corp.	Extrusions	California
University of Washington	Wind Tunnel	Washington
Voss	Aerospace Clamps and Couplings	Ohio
Voss Manufacturing Inc.	Engineering Manufacturing Solutions	New York
Whelen Engineering	Strobes & Lighting	Connecticut
Xar Industries	Aircraft Parts and Equipment	California



BUSINESS PLAN DEVELOPMENT & PROGRAM SUMMARY

The purpose of this business plan is to provide an overview of both the business case and pathway by which Stavatti Aerospace will develop, produce and provide a unique and competitive, comprehensive and complete upgrade and modernization package for allied MiG-29 fighter aircraft. The MiG-29 is the 5th most popular fighter aircraft in the world accounting for 5% of all fighter aircraft currently in service, which is a greater share than that of the F-22, F/A-35, Rafale or Typhoon. Many nations desire to continue flying the MiG-29 for 10 or 20 more years but their aircraft require new avionics, powerplants, weapon systems and airframe improvements to ensure the aircraft is both tactically valuable and economically viable. Through the SM-29 upgrade program, Stavatti can ensure nations can continue to operate their MiG-29s for 2 or more decades while maintaining the aircraft's combat effectiveness and potency.

Stavatti has already designed the SM-29E upgrade package and presented the project to a launch customer, the Ukrainian Air Force (UAF), which has issued Stavatti a Protocol of Intent indicating their committed desire to procure up to 76 SM-29E upgrades valued at \$1.7 Billion. This committed interest is the impetus for Stavatti to undertake the demonstration and prototyping of the SM-29 Super Fulcrum upgrade program for the MiG-29 with the understanding that the overall potential global market exceeds 464 aircraft in addition to the UAF opportunity.

To secure the UAF contract, Stavatti must first provide evidence of the companies capability to perform basic aspects of the proposed upgrade to a designated UAF review board. Those basic aspects include an upgrade of a MiG-29s cockpit displays as well as wheels, brakes and tires and some additional avionics. Designated the SM-29 "Demonstrator" aircraft, the performance of this upgrade at a Stavatti leased facility (USARC) in Niagara Falls, NY. With a total cost of \$10 Million, the Demonstrator program is Round A of this business plan and will provide a Demonstrator aircraft for the UAF to review. Upon completion of their review, Stavatti will be issued a contract valued at \$90 Million to upgrade the first 4 UAF MiG-29 aircraft to the SM-29E Super Fulcrum Configuration.



With the award of the \$90 Million contract Stavatti will begin the upgrade of 4 UAF MiG-29s while simultaneously funding the \$30 Million Round B Prototype Phase based upon accounts receivable financing or investor or strategic partner investment. Round B will convert the SM-29E "Demonstrator" of Round A into the "Prototype" of Round B through the installation of F414 engines, the APG-79 radar and implementation of all other aspects of the SM-29E upgrade program. This aircraft will serve as Stavatti's SM-29E company demonstrator aircraft. Round B will also result in Stavatti's acquisition of the USARC facility and the initiation of the purchase of Air USA to form "Stavatti Air USA."

With the successful upgrade of the first four MiG-29s, Stavatti will secure a follow-on contract to upgrade an additional 72 UAF aircraft to the SM-29E configuration. Upon securing this contract Stavatti will begin the upgrade process and may implement a \$60 Million Round C Production Phase based upon both earnings from the upgrade of the first four aircraft as well as accounts receivable financing and possible additional investor/strategic partner investment. Round C will result in Stavatti's acquisition of the Bell Aerospace Plant in Niagara Falls, NY as well as the construction of a dedicated 100K sq ft hangar and aircraft manufacturing facility in Ukraine to support the SM-29 upgrade program in Ukraine. Stavatti will also complete the acquisition of Air USA and fund general business expansion expenses through Round C.

The profits associated with the upgrade of the 76 UAF MiG-29 aircraft will recover up to a \$100 Million investment by Stavatti and investors associated with Rounds A, B and C of this business plan while also generating a net profit of over \$75 Million. Subsequent upgrades of additional aircraft will result in appreciable net profits. Combined with the net earnings associated with Stavatti's ownership of Air USA Inc, the implementation of this business plan results in two distinct revenue streams of significant earning potential. A summary of Total Business Plan costs and Financial Forecasts are provided in subsequent pages.

TOTAL DEVELOPMENT PROGRAM COSTS: ROUNDS A & B

The total cost of the SM-29 Super Fulcrum Business Plan can be considered to be \$40 Million if all funding Rounds (Rounds A and B) are considered. Conceived and proposed by Stavatti Aerospace, the Business Plan is divided into two Funding Rounds/Phases which include the \$10 Million Round A Demonstrator Phase and a \$30 Million Round B Prototype Phase. The combined cost of both Rounds/Phases is \$40 Million. Of the phases, Round A is the most critical as it is this \$10 Million Demonstrator phase that will convince customers to acquire the upgrade package, after which all remaining Rounds/Phases (Round B) can be paid for through contract earnings.

The SM-29 Business Plan will result in a number of achievements for Stavatti Aerospace with the full funding of \$5 Million going directly to major initiatives that include the basic upgrade of a single MiG-29 airframe from Air USA, Inc. which focuses upon the upgrade of the aircraft's cockpit through the installation of a single LAAD display as well as the complete upgrade of aircraft wheels, brakes and tires to UTC/Goodyear solutions including 22 x 6.6-10 nose tires and 30 x 11.5-14.5 main gear tires. The resulting aircraft will serve as the SM-29 Demonstrator of Round A. In Round B, a single seat MiG-29 Fulcrum A will receive a more comprehensive upgrade and will serve as the SM-29 Prototype, featuring new GEAE F414 EP afterburning turbofan powerplants, the Raytheon AN/APG-79 AESA radar and all other related SM-29 upgrades, including Electronic Warfare Systems. This single seat prototype will then serve as the flight test article for stores qualification testing as well as the company demo aircraft.

This business plan will result upgrade of the USARC facility located at the Niagara Falls International Airport. This 173,358 sq ft facility on 19.8 acres was acquired by Stavatti on 30 October 2020 and will serve as manufacturing and development center for the SM-29 program. The Business Plan will result in the acquisition of a total of two MiG-29s, including one two seat MiG-29UB Fulcrum B and a single seat MiG-29 Fulcrum A and associated spare parts and support equipment from Air USA, Inc. The Business Plan effectively addresses all costs including salary, payroll and benefits, facility costs and utilities, machinery and equipment, mock-ups and models of the SM-29E, marketing and advertising, business travel expenses, engineering software and workstations, design patents associated with the upgrade program and other costs associated with the advancement of Stavatti Aerospace. The cost of acquiring land at the Vinnytsia International Airport in support of the future construction of a Stavatti aircraft production, assembly and maintenance support plant will also be addressed as Stavatti Ukraine Business Development Costs. A table summarizing the Total Business Plan Use-of-Funds is provided:

SM-29 BUSINESS PLAN TOTAL USE-OF-FUNDS		
PROGRAM EXPENSES	COST	PERCENT
Acquisition of MiG-29s From Air USA	\$6,150,000	15.38%
MiG-29 Upgrade	\$20,000,000	50.00%
Remodeling of USARC Facility	\$550,000	1.38%
Purchase Bell Plant	\$500,000	1.25%
Ukraine Land and Facility	\$1,200,000	3.00%
Facility Costs & Utilities	\$400,000	1.00%
Machinery & Equipment	\$3,000,000	7.50%
Software & Workstations	\$350,000	0.88%
Marketing & Advertising	\$775,000	1.94%
Payroll	\$3,000,000	7.50%
Benefits & Insurance	\$925,000	2.31%
Flight Test & Demonstration	\$500,000	1.25%
General & Administrative Costs	\$650,000	1.63%
Contingency & Miscellaneous	\$2,000,000	5.00%
TOTAL COST	\$40,000,000	100.00%

FINANCIAL PROJECTIONS

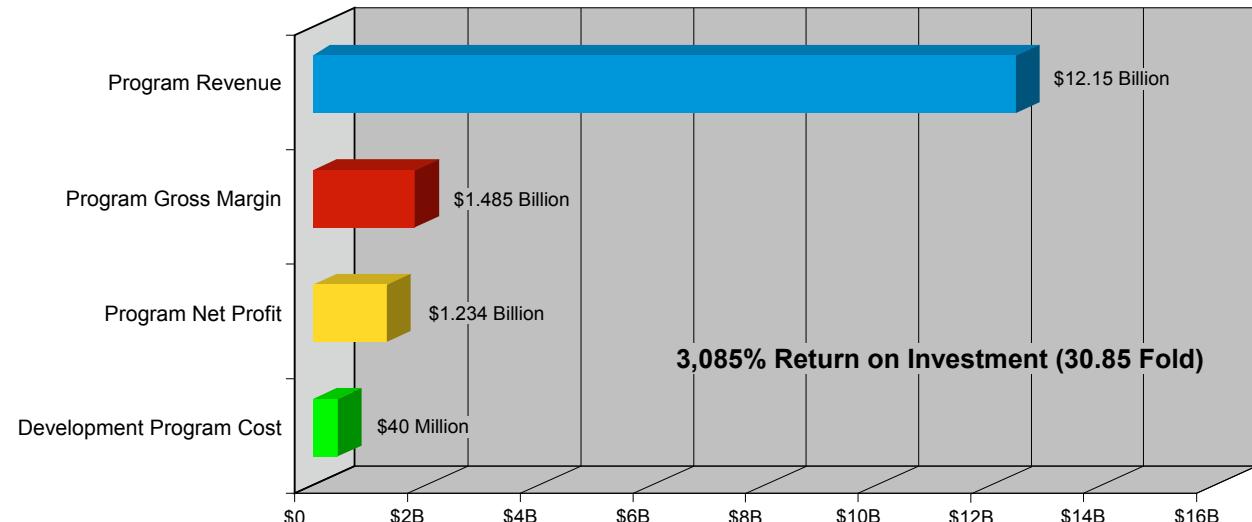
Stavatti predicts sales of over 540 SM-29E/F Super Fulcrum aircraft upgrades worldwide. Those sales will produce approximately \$12.15 Billion in revenue and net earnings after expenses and before taxes of over \$1.174 Billion over 10 to 12 production years. With a total development cost of approximately \$40 Million, the net Return On Investment (ROI) for the SM-29 Super Fulcrum Development Program is estimated at 3,085% (30.85 fold).

Total direct employment associated with SM-29 upgrade program will realize over 254, including approximately 50 salaried aerospace professionals during peak production and over 204 aerospace machinists and assembly workers during full rate production. Although projections focus on production through 2035, if the program is very successful, the SM-29 upgrade service could be provided for 20 years resulting in the upgrade of 1,000 aircraft out of the over 1,600 originally produced. The SM-29 upgrade program could realize total revenues of over \$15 Billion from upgrade services alone.

Financial projections for the development and production years 2022-2033 are presented in \$ USD. Projections include a summary chart, summary tables, and projected Income and Balance Sheets. Also included is a summary projection of annual program employment. The projections focus primarily on what Stavatti considers as the "Probable Case" corresponding to the sale of 540 aircraft over the first 10 production years. Projections do not account for advance payments on air vehicle systems ordered during development years that will manifest a backlog. Financial projections consider only generation of revenue through aircraft sales. Reaching beyond production, additional long-term revenue will be generated through the provision of SM-29 Super Fulcrum, support equipment, training, ordnance, ammunition, munitions and contractor logistical support. Revenues and earnings associated with the provision of spares and customer support to all SM-29 customers over the course of SM-29 operational life are not included in the projections. Additional forms of revenue, including the provision of Dissimilar Air Combat Training (DACT) services through Stavatti Air USA using Stavatti owned SM-29 aircraft is not considered.

All financial projections represent earnings before taxes and without depreciation. As an upgrade program for aircraft operated by Air Forces throughout the world, the SM-29 upgrade may be performed in a variety of nations including Ukraine, Poland, India and other countries that operate the MiG-29. As the corporate tax structures and business development incentives vary from state-to-state and nation-to-nation, no single specific tax rate upon earnings has been applied to the given projections. All projections assume a production rate based upon Stavatti's SM-29 market projections based upon global MiG-29 inventories as reported by *Flight Global*, *Jane's*, the *Teal Group* and other sources. Income Statement and Balance Sheet forecasts combine all Demonstrator, Prototype and Production Program Costs into First Year costs thus consolidating total development and extended production expense costs.

SM-29 PROGRAM FINANCIAL PROJECTIONS: 2022-2033



SM-29 SUPER FULCRUM PRODUCTION PROJECTIONS

PRODUCTION PROJECTION ELEMENT	VALUE
Demonstration Time-Frame:	2022-2023
Prototype Time-Frame:	2022-2023
Low Rate Initial Production Time-Frame:	2024-2025
Full-Rate Production Time-Frame:	2025-2033
Minimum Number of Full-Rate Production Years:	12
Annual Full-Rate Production Rate:	50
Total Number of Aircraft Produced at Full Rate Production:	540
Mean Number of Salaried Personnel Employed at Full-Production:	50
Mean Number of Hourly Production Personnel at Full-Production:	204
Mean Direct Employment at Full-Rate Production:	254
Mean Indirect Employment at Full-Rate Production:	1,271
Total Aircraft Sold/Delivered to End Users:	540
Total Program Revenues (Based on Total Aircraft Sold):	\$12,150,000,000
Total Program Gross Margin (Before Expenses):	\$1,485,000,000
Total Production Expenses:	\$251,000,000
Total Program Net Earnings (EBIT)	\$1,234,000,000
Demonstrator Program Cost (Round A):	\$10,000,000
Prototype Program Cost (Round B):	\$30,000,000
Total Development Program Cost:	\$40,000,000
Return-On-Investment (ROI):	30.85-Fold (3,085%)

SM-29 SUPER FULCRUM UNIT AIRCRAFT UPGRADE FORECASTS

YEAR	ANNUAL UPGRADES	TOTAL UPGRADES	DIRECT EMPLOYMENT
2022	5	5	54
2023	35	40	176
2024	50	90	229
2025	50	140	254
2026	50	190	254
2027	50	240	254
2028	50	290	254
2029	50	340	254
2030	50	390	254
2031	50	440	254
2032	50	490	254
2033	50	540	254
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0
2040	0	0	0
2041	0	0	0
2042	0	0	0
2043	0	0	0
2044	0	0	0
2045	0	0	0
2046	0	0	0
TOTAL	540	540	254

SM-29 PROGRAM PROBABLE CASE FINANCIAL FORECASTS

YEAR	REVENUE	NET INCOME	ASSETS	EXPENSES	LIABILITIES
2022	\$112,500,000	\$13,750,000	\$31,324,999	\$0	\$26,250,000
2023	\$787,500,000	\$83,250,000	\$88,574,998	\$13,000,000	\$0
2024	\$1,125,000,000	\$124,500,000	\$213,324,997	\$13,000,000	\$0
2025	\$1,125,000,000	\$112,500,000	\$326,074,996	\$25,000,000	\$0
2026	\$1,125,000,000	\$112,500,000	\$438,824,995	\$25,000,000	\$0
2027	\$1,125,000,000	\$112,500,000	\$551,574,994	\$25,000,000	\$0
2028	\$1,125,000,000	\$112,500,000	\$664,324,993	\$25,000,000	\$0
2029	\$1,125,000,000	\$112,500,000	\$777,074,992	\$25,000,000	\$0
2030	\$1,125,000,000	\$112,500,000	\$889,824,991	\$25,000,000	\$0
2031	\$1,125,000,000	\$112,500,000	\$1,002,574,990	\$25,000,000	\$0
2032	\$1,125,000,000	\$112,500,000	\$1,115,324,989	\$25,000,000	\$0
2033	\$1,125,000,000	\$112,500,000	\$1,228,074,988	\$25,000,000	\$0
2034	\$0	\$0	\$0	\$0	\$0
2035	\$0	\$0	\$0	\$0	\$0
2036	\$0	\$0	\$0	\$0	\$0
2037	\$0	\$0	\$0	\$0	\$0
2038	\$0	\$0	\$0	\$0	\$0
2039	\$0	\$0	\$0	\$0	\$0
2040	\$0	\$0	\$0	\$0	\$0
2041	\$0	\$0	\$0	\$0	\$0
2042	\$0	\$0	\$0	\$0	\$0
2043	\$0	\$0	\$0	\$0	\$0
2044	\$0	\$0	\$0	\$0	\$0
2045	\$0	\$0	\$0	\$0	\$0
2046	\$0	\$0	\$0	\$0	\$0
TOTAL	\$12,150,000,000	\$1,234,000,000	\$1,228,074,988	\$251,000,000	\$0
YEAR	GROSS MARGIN	NET WORTH	ANNUAL EBIT	ACCUM. EBIT	ROI
2022	\$13,750,000	\$5,074,999	\$13,750,000	\$13,750,000	34%
2023	\$96,250,000	\$88,574,998	\$83,250,000	\$97,000,000	243%
2024	\$137,500,000	\$213,324,997	\$124,500,000	\$221,500,000	554%
2025	\$137,500,000	\$326,074,996	\$112,500,000	\$334,000,000	835%
2026	\$137,500,000	\$438,824,995	\$112,500,000	\$446,500,000	1,116%
2027	\$137,500,000	\$551,574,994	\$112,500,000	\$559,000,000	1,398%
2028	\$137,500,000	\$664,324,993	\$112,500,000	\$671,500,000	1,679%
2029	\$137,500,000	\$777,074,992	\$112,500,000	\$784,000,000	1,960%
2030	\$137,500,000	\$889,824,991	\$112,500,000	\$896,500,000	2,241%
2031	\$137,500,000	\$1,002,574,990	\$112,500,000	\$1,009,000,000	2,523%
2032	\$137,500,000	\$1,115,324,989	\$112,500,000	\$1,121,500,000	2,804%
2033	\$137,500,000	\$1,228,074,988	\$112,500,000	\$1,234,000,000	3,085%
2034	\$0	\$0	\$0	\$0	0%
2035	\$0	\$0	\$0	\$0	\$0
2036	\$0	\$0	\$0	\$0	\$0
2037	\$0	\$0	\$0	\$0	\$0
2038	\$0	\$0	\$0	\$0	\$0
2039	\$0	\$0	\$0	\$0	\$0
2040	\$0	\$0	\$0	\$0	\$0
2041	\$0	\$0	\$0	\$0	\$0
2042	\$0	\$0	\$0	\$0	\$0
2043	\$0	\$0	\$0	\$0	\$0
2044	\$0	\$0	\$0	\$0	\$0
2045	\$0	\$0	\$0	\$0	\$0
2046	\$0	\$0	\$0	\$0	\$0
TOTAL	\$1,485,000,000	\$1,228,074,988	\$1,234,000,000	\$1,234,000,000	3,085%

SM-29 CONSOLIDATED INCOME STATEMENT FORECAST				
YEAR ENDED	YR 1	YR 2	YR 3	YR 4
REVENUES				
Revenue From Sales	\$112,500,000	\$787,500,000	\$1,125,000,000	\$1,125,000,000
Other Revenue	\$0	\$0	\$0	\$0
Cost of Sales	\$98,750,000	\$691,250,000	\$987,500,000	\$987,500,000
GROSS MARGIN	\$13,750,000	\$96,250,000	\$137,500,000	\$137,500,000
EXPENSES				
Research & Development	\$26,600,000	\$500,000	\$500,000	\$750,000
Salaries & Benefits	\$3,900,000	\$4,912,500	\$4,912,500	\$9,825,000
Utilities	\$1,000,000	\$262,500	\$262,500	\$262,500
Machinery & Equipment	\$4,925,000	\$5,615,385	\$5,615,385	\$11,000,000
Marketing & Advertising	\$1,025,000	\$700,000	\$700,000	\$1,000,000
General & Administrative	\$2,550,000	\$1,009,615	\$1,009,615	\$2,162,500
TOTAL EXPENSES	\$40,000,000	\$13,000,000	\$13,000,000	\$25,000,000
Earnings Before Taxes	(\$26,250,000)	\$83,250,000	\$124,500,000	\$112,500,000

DY: Development Year; LRIP: Low Rate Initial Production; YR: Production Year

SM-29 CONSOLIDATED BALANCE SHEET FORECAST				
YEAR ENDED	YR 1	YR 2	YR 3	YR 4
ASSETS				
Cash and Equivalents	\$35,075,000	\$42,459,615	\$49,844,230	\$63,844,230
Accounts Receivable	\$0	\$0	\$0	\$0
Inventory	\$0	\$0	\$0	\$0
Prepaid Expenses	\$0	\$0	\$0	\$0
Fixed & Tangible Assets	\$4,925,000	\$10,540,385	\$16,155,770	\$27,155,770
TOTAL ASSETS	\$40,000,000	\$53,000,000	\$66,000,000	\$91,000,000
LIABILITIES & EQUITY				
Liabilities				
Accounts Payable	(\$85,000,000)	(\$595,000,000)	(\$850,000,000)	(\$850,000,000)
Short & Long Term Debt	\$0	\$0	\$0	\$0
Other Liabilities	\$0	\$0	\$0	\$0
TOTAL LIABILITIES	(\$85,000,000)	(\$595,000,000)	(\$850,000,000)	(\$850,000,000)
Shareholder's Equity				
Capital Stock	\$125,000,000	\$564,750,000	\$708,250,000	\$620,750,000
Retained Earnings	\$0	\$83,250,000	\$207,750,000	\$320,250,000
TOTAL EQUITY	\$125,000,000	\$648,000,000	\$916,000,000	\$941,000,000
TOTAL LIAB & EQUITY	\$40,000,000	\$53,000,000	\$66,000,000	\$91,000,000

DY: Development Year; LRIP: Low Rate Initial Production; YR: Production Year

SM-29 CONSOLIDATED INCOME STATEMENT FORECAST				
YEAR ENDED	YR 5	YR 6	YR 7	YR 8
REVENUES				
Revenue From Sales	\$1,125,000,000	\$1,125,000,000	\$1,125,000,000	\$1,125,000,000
Other Revenue	\$0	\$0	\$0	\$0
Cost of Sales	\$987,500,000	\$987,500,000	\$987,500,000	\$987,500,000
GROSS MARGIN	\$137,500,000	\$137,500,000	\$137,500,000	\$137,500,000
EXPENSES				
Research & Development	\$750,000	\$750,000	\$750,000	\$750,000
Salaries & Benefits	\$9,825,000	\$9,825,000	\$9,825,000	\$9,825,000
Utilities	\$262,500	\$262,500	\$262,500	\$262,500
Machinery & Equipment	\$11,000,000	\$11,000,000	\$11,000,000	\$11,000,000
Marketing & Advertising	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
General & Administrative	\$2,162,500	\$2,162,500	\$2,162,500	\$2,162,500
TOTAL EXPENSES	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000
Earnings Before Taxes	\$112,500,000	\$112,500,000	\$112,500,000	\$112,500,000

DY: Development Year; LRIP: Low Rate Initial Production; YR: Production Year

SM-29 CONSOLIDATED BALANCE SHEET FORECAST				
YEAR ENDED	YR 5	YR 6	YR 7	YR 8
ASSETS				
Cash and Equivalents	\$77,844,230	\$91,844,230	\$105,844,230	\$119,844,230
Accounts Receivable	\$0	\$0	\$0	\$0
Inventory	\$0	\$0	\$0	\$0
Prepaid Expenses	\$0	\$0	\$0	\$0
Fixed & Tangible Assets	\$38,155,770	\$49,155,770	\$60,155,770	\$71,155,770
TOTAL ASSETS	\$116,000,000	\$141,000,000	\$166,000,000	\$191,000,000
LIABILITIES & EQUITY				
Liabilities				
Accounts Payable	(\$850,000,000)	(\$850,000,000)	(\$850,000,000)	(\$850,000,000)
Short & Long Term Debt	\$0	\$0	\$0	\$0
Other Liabilities	\$0	\$0	\$0	\$0
TOTAL LIABILITIES	(\$850,000,000)	(\$850,000,000)	(\$850,000,000)	(\$850,000,000)
Shareholder's Equity				
Capital Stock	\$533,250,000	\$445,750,000	\$358,250,000	\$270,750,000
Retained Earnings	\$432,750,000	\$545,250,000	\$657,750,000	\$770,250,000
TOTAL EQUITY	\$966,000,000	\$991,000,000	\$1,016,000,000	\$1,041,000,000
TOTAL LIAB & EQUITY	\$116,000,000	\$141,000,000	\$166,000,000	\$191,000,000

DY: Development Year; LRIP: Low Rate Initial Production; YR: Production Year

SM-29 CONSOLIDATED INCOME STATEMENT FORECAST				
YEAR ENDED	YR 9	YR 10	YR 11	YR 12
REVENUES				
Revenue From Sales	\$1,125,000,000	\$1,125,000,000	\$1,125,000,000	\$1,125,000,000
Other Revenue	\$0	\$0	\$0	\$0
Cost of Sales	\$987,500,000	\$987,500,000	\$987,500,000	\$987,500,000
GROSS MARGIN	\$137,500,000	\$137,500,000	\$137,500,000	\$137,500,000
EXPENSES				
Research & Development	\$750,000	\$750,000	\$750,000	\$750,000
Salaries & Benefits	\$9,825,000	\$9,825,000	\$9,825,000	\$9,825,000
Utilities	\$262,500	\$262,500	\$262,500	\$262,500
Machinery & Equipment	\$11,000,000	\$11,000,000	\$11,000,000	\$11,000,000
Marketing & Advertising	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
General & Administrative	\$2,162,500	\$2,162,500	\$2,162,500	\$2,162,500
TOTAL EXPENSES	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000
Earnings Before Taxes	\$112,500,000	\$112,500,000	\$112,500,000	\$112,500,000

DY: Development Year; LRIP: Low Rate Initial Production; YR: Production Year

SM-29 CONSOLIDATED BALANCE SHEET FORECAST				
YEAR ENDED	YR 9	YR 10	YR 11	YR 12
ASSETS				
Cash and Equivalents	\$133,844,230	\$147,844,230	\$161,844,230	\$175,844,230
Accounts Receivable	\$0	\$0	\$0	\$0
Inventory	\$0	\$0	\$0	\$0
Prepaid Expenses	\$0	\$0	\$0	\$0
Fixed & Tangible Assets	\$82,155,770	\$93,155,770	\$104,155,770	\$115,155,770
TOTAL ASSETS	\$216,000,000	\$241,000,000	\$266,000,000	\$291,000,000
LIABILITIES & EQUITY				
Liabilities				
Accounts Payable	(\$850,000,000)	(\$850,000,000)	(\$850,000,000)	(\$850,000,000)
Short & Long Term Debt	\$0	\$0	\$0	\$0
Other Liabilities	\$0	\$0	\$0	\$0
TOTAL LIABILITIES	(\$850,000,000)	(\$850,000,000)	(\$850,000,000)	(\$850,000,000)
Shareholder's Equity				
Capital Stock	\$183,250,000	\$95,750,000	\$8,250,000	(\$79,250,000)
Retained Earnings	\$882,750,000	\$995,250,000	\$1,107,750,000	\$1,220,250,000
TOTAL EQUITY	\$1,066,000,000	\$1,091,000,000	\$1,116,000,000	\$1,141,000,000
TOTAL LIAB & EQUITY	\$216,000,000	\$241,000,000	\$266,000,000	\$291,000,000

DY: Development Year; LRIP: Low Rate Initial Production; YR: Production Year

SM-29 DIRECT LABOR FORECASTS

YEAR	MANAGEMENT TEAM	ENGINEER TEAM	FLIGHT TEST	ADMIN TEAM	SALES TEAM	CLS TEAM	PRODUCTION TEAM	TOTAL EMPLOYMENT
2022	5	5	5	3	2	5	29	54
2023	5	5	5	3	2	5	151	229
2024	5	5	5	3	2	5	204	254
2025	5	10	10	10	5	10	204	254
2026	5	10	10	10	5	10	204	254
2027	5	10	10	10	5	10	204	254
2028	5	10	10	10	5	10	204	254
2029	5	10	10	10	5	10	204	254
2030	5	10	10	10	5	10	204	254
2031	5	10	10	10	5	10	204	254
2032	5	10	10	10	5	10	204	254
2033	5	10	10	10	5	10	204	0
2034	0	0	0	0	0	0	0	0
2035	0	0	0	0	0	0	0	0
2036	0	0	0	0	0	0	0	0
2037	0	0	0	0	0	0	0	0
2038	0	0	0	0	0	0	0	0
2039	0	0	0	0	0	0	0	0
2040	0	0	0	0	0	0	0	0
2041	0	0	0	0	0	0	0	0
2042	0	0	0	0	0	0	0	0
2043	0	0	0	0	0	0	0	0
2044	0	0	0	0	0	0	0	0
2045	0	0	0	0	0	0	0	0
2046	0	0	0	0	0	0	0	0

Employment Projections assume that aircraft upgrades corresponds with unit upgrade forecasts

SM-29 UPGRADE LABOR BY FUNCTION

YEAR	AIRCRAFT ASSEMBLY	AIRCRAFT MACHINIST	AIRCRAFT MECHANIC	SYSTEMS TECHNICIAN	PAINT & COMPLETION	OTHER LABOR	TOTAL PRODUCTION
2022	11	5	4	3	3	2	29
2023	60	27	23	18	14	9	151
2024	82	37	31	25	18	12	204
2025	82	37	31	25	18	12	204
2026	82	37	31	25	18	12	204
2027	82	37	31	25	18	12	204
2028	82	37	31	25	18	12	204
2029	82	37	31	25	18	12	204
2030	82	37	31	25	18	12	204
2031	82	37	31	25	18	12	204
2032	82	37	31	25	18	12	204
2033	82	37	31	25	18	12	204
2034	0	0	0	0	0	0	0
2035	0	0	0	0	0	0	0
2036	0	0	0	0	0	0	0
2037	0	0	0	0	0	0	0
2038	0	0	0	0	0	0	0
2039	0	0	0	0	0	0	0
2040	0	0	0	0	0	0	0
2041	0	0	0	0	0	0	0
2042	0	0	0	0	0	0	0
2043	0	0	0	0	0	0	0
2044	0	0	0	0	0	0	0
2045	0	0	0	0	0	0	0
2046	0	0	0	0	0	0	0

Employment Projections assume that aircraft upgrades corresponds with unit upgrade forecasts

FUNDING AND CAPITALIZATION

Stavatti is offering investors the opportunity to participate in the funding of Rounds A and B of this Business Plan by offering two classes of royalty/equity investment interests in the company and project. The Class A Offering will fund the \$10 Million Round A Demonstrator Phase. The Class B Offering will fund the \$30 Million Round B Prototype Phase.

All Offerings will assign the investor(s) a percent royalty in the Revenues associated with the Sales and Earnings of SM-29 Super Fulcrum MiG-29 upgrades and any and all subsequent spare parts and support equipment thereof. The royalty will be a direct percentage position corresponding to the Gross Revenues ("Revenues") of the provision of SM-29 Super Fulcrum upgrades associated with any Stavatti SM-29 specific production operations company ("Stavatti Super Fulcrum Ltd or similar). The Offering may also assign, with no additional cost, an equity ownership position in Stavatti Aerospace Ltd and/or any business operations company ("Stavatti Super Fulcrum Ltd") for the production and/or sale of the SM-29 Upgrade. This structure allows investors to receive a Return On Investment (ROI) in the form of a royalty from the provision of SM-29 upgrades regardless of their equity ownership in Stavatti or if production is performed by an alternate Stavatti company.

Under the proposed offering plan plan, Investors in each Funding Round will receive a Percent Royalty position earning them Royalties from the Gross Revenues associated with each aircraft sold. Round A investors will collectively receive a 2.03% Royalty on all Revenues associated with SM-29 upgrades as well as up to 20% equity ownership of the hypothetical new company tentatively called "Stavatti Super Fulcrum Ltd," if organized. Round B investors will collectively receive a 2.54% Royalty on all Revenues associated with SM-29 upgrades as well as up to 25% equity ownership of the hypothetical new company tentatively called "Stavatti Super Fulcrum Ltd," if organized. In the event the project is conducted entirely as a wholly owned division of Stavatti Aerospace Ltd, Investors will receive a Royalty derived specifically from, and limited to, the Revenues of the SM-29 Super Fulcrum Division of Stavatti Aerospace Ltd. Investors may also receive an equity ownership position in Stavatti Aerospace Ltd, however, that position must be negotiated based upon an evaluation of the corresponding revenues of Stavatti that are beyond the scope of SM-29 upgrades. A table presenting the proposed Business Capitalization Structure is provided:

SM-29 SUPER FULCRUM BUSINESS CAPITALIZATION STRUCTURE						
Class	Category	Investment	Percent Equity	Percent Royalty	Investor Royalty & Return On Investment (ROI)	ROI Fold
A	1st Round Investors	\$10,000,000	20.0%	2.03%	\$246,800,000	24.68 x Investment
B	2nd Round Investors	\$30,000,000	25.0%	2.54%	\$308,500,000	10.28 x Investment
A & B	TOTAL	\$40,000,000	45.0%	4.57%	\$555,300,000	13.88 x Investment

RETURN ON INVESTMENT

As a for-profit, commercial enterprise, Stavatti is focused upon providing a competitive ROI to all investors. Stavatti designed, developed and produced products that benefit from a lean program while employing commercial practices are engineered on a program level to provide competitive ROIs over production life. For the SM-29 program, ROIs are derived directly from percent Royalties paid on the Revenues associated with SM-29 upgrades or the Revenues associated with Stavatti Super Fulcrum Ltd as a Revenue generating, for-profit corporation. Providing projections of anticipated Financial Distributions and Returns on Investment (ROIs) for Investor/Shareholders, Return on Investment Tables for the provision of 76 SM-29 aircraft upgrades to the Ukrainian Air Force (UAF) as well as 5 years (corresponding to 490 aircraft upgrades worldwide) and 12 years (corresponding to 540 upgrades worldwide) are provided:

RETURN ON INVESTMENT: 3 YEARS (76 UAF SM-29 UPGRADES)

Class	Category	SM-29 Upgrade Revenues (Accum.)	Percent Equity	Percent Royalty	Investor Royalty & Return On Investment (ROI)	ROI Fold
A	1st Round Investors	\$1,620,000,000	20%	2.03%	\$32,906,667	3.29 x Investment
B	2nd Round Investors	\$1,620,000,000	25%	2.54%	\$41,133,333	1.37 x Investment
A & B	TOTAL	\$1,620,000,000	45%	4.57%	\$74,040,000	1.85 x Investment

RETURN ON INVESTMENT: 5 YEARS (140 SM-29 UPGRADES)

Class	Category	SM-29 Upgrade Revenues (Accum.)	Percent Equity	Percent Royalty	Investor Royalty & Return On Investment (ROI)	ROI Fold
A	1st Round Investors	\$4,275,000,000	20%	2.03%	\$86,837,037	8.68 x Investment
B	2nd Round Investors	\$4,275,000,000	25%	2.54%	\$108,546,296	3.62 x Investment
A & B	TOTAL	\$4,275,000,000	45%	4.57%	\$195,383,333	4.88 x Investment

RETURN ON INVESTMENT: 10 YEARS (390 SM-29 UPGRADES)

Class	Category	SM-29 Upgrade Revenues (Accum.)	Percent Equity	Percent Royalty	Investor Royalty & Return On Investment (ROI)	ROI Fold
A	1st Round Investors	\$9,900,000,000	20%	2.03%	\$201,096,296	20.11 x Investment
B	2nd Round Investors	\$9,900,000,000	25%	2.54%	\$251,370,370	8.38 x Investment
A & B	TOTAL	\$9,900,000,000	45%	4.57%	\$452,466,667	11.31 x Investment

RETURN ON INVESTMENT: 13 YEARS (540 SM-29 UPGRADES)

Class	Category	SM-29 Upgrade Revenues (Accum.)	Percent Equity	Percent Royalty	Investor Royalty & Return On Investment (ROI)	ROI Fold
A	1st Round Investors	\$12,150,000,000	20%	2.03%	\$246,800,000	24.68 x Investment
B	2nd Round Investors	\$12,150,000,000	25%	2.54%	\$308,500,000	10.28 x Investment
A & B	TOTAL	\$12,150,000,000	45%	4.57%	\$555,300,000	13.88 x Investment

ROYALTIES

Stavatti is offering Royalties to be earned from the Gross Revenues (Revenues) from the sale of products and provision of services associated with this business plan. The Royalties may be associated directly with the Revenues of a specific product line or the Revenues of Stavatti Aerospace Ltd as a corporate entity. The Royalty structure provides a direct link between the revenues of the program, product or company and investor Return on Investment (ROI). The Royalty structure is governed by a Royalty Agreement. Royalty Certificates may be issued in accordance with the Royalty Agreement. Royalty certificates may potentially be transferable to external third parties in accordance with the terms of a Royalty Agreement and the regional laws governing the agreement, serving as a possible investor exit strategy. Such an exit strategy may ultimately be provided through a Royalty Exchange which in principal may function as a brokerage/exchange for business and project Royalty Earnings Certificates.

DIVIDENDS

The Stavatti Board of Directors may elect to issue and distribute dividends as a mechanism to provide a direct ROI to shareholders in lieu of a Royalty. Dividends may be issued to shareholders from the non-retained earnings of the company. The manner of payment of Dividends will be structured by the board of directors. Dividends will be paid based directly upon the proportion of equity ownership owned by a shareholder. Dividends will be paid in cash, by either check or direct deposit, or in a manner as desired, specified and negotiated by the shareholder. Stavatti may issue dividend payments to shareholders for as long as shareholders remain shareholders of the corporation. In the event shareholders wish to divest or otherwise sell their stock or equity position with the expectation of a satisfactory ROI, non-retained earnings may be used to buy-back the shareholder equity. This buy-back would likely occur in the form of either a lump-sum payment or for shareholders seeking greater earnings, a structured buy-out whereby the equity would be purchased by Stavatti at an agreed to or negotiated value. From the standpoint of taxation, Stavatti and shareholders alike to have a comprehensive knowledge of the taxation associated with dividends and the most appropriate way for Stavatti to manage retained earnings, net profits and dividends within local tax environments.

PRIME CONTRACTOR ACQUISITION OF STAVATTI

After a Stavatti aerospace vehicle enters production and establishes a consistent revenue stream, that project or division of Stavatti will likely become an attractive target for acquisition by a larger, established aerospace defense prime contractor such as Lockheed Martin, Northrop Grumman, Boeing, General Dynamics or the Carlyle Group. All of these large aerospace defense conglomerates are known for buying and selling aircraft and airframe manufacturers. The successful production of a Stavatti product could lend itself to an acquisition that would provide the ROI which investors desire. In so doing, that product line, or division or perhaps even Stavatti company could be acquired by the external buyer for a purchase price that is considered acceptable to Stavatti shareholders and strategic partners.

INITIAL PUBLIC OFFERING (IPO)

Combining an ROI with an investor exit strategy, Stavatti Aerospace Ltd or a Stavatti joint venture enterprise may "Go Public" by conducting an Initial Public Offering (IPO). After a Stavatti aerospace vehicle enters production and establishes a consistent revenue stream, Stavatti would be positioned to become a Publicly Traded Company, in whole or in-part. Stavatti Aerospace Ltd. could potentially serve as the Publicly Traded Stavatti enterprise, trading on the NYSE, or alternatively only a specific manufacturing division of the Stavatti enterprise, may "go public." Becoming a publicly traded company would provide a direct mechanism by which investors, shareholders and strategic partners could obtain a definite ROI.

ROI SUMMARY

There are a variety of mechanisms by which Stavatti can provide a clearly defined and highly competitive Return on Investment to investors, shareholders or strategic partners. Stavatti has the advantage of being both open and flexible with regard to working with investors and strategic partners to provide an ROI mechanism that meets their financial goals. In so doing, Stavatti will not only be a manufacturer of some of the best aircraft, but one of the world's best investment opportunities.



Aircraft: SM-29 Super Fulcrum
Company: Stavatti Super Fulcrum Ltd
Parent Company: Stavatti Aerospace Ltd

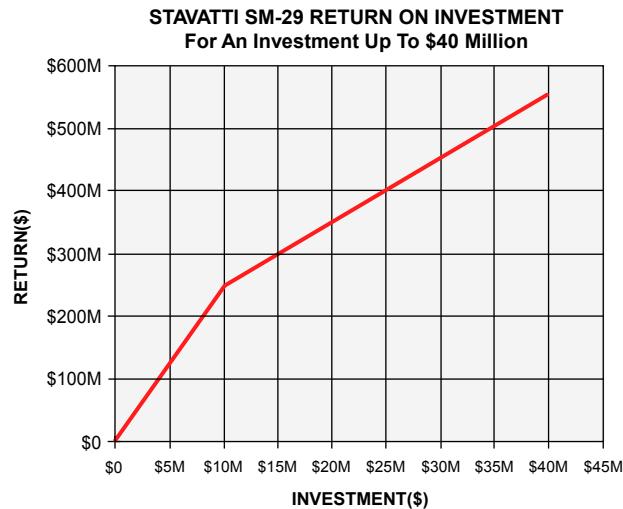
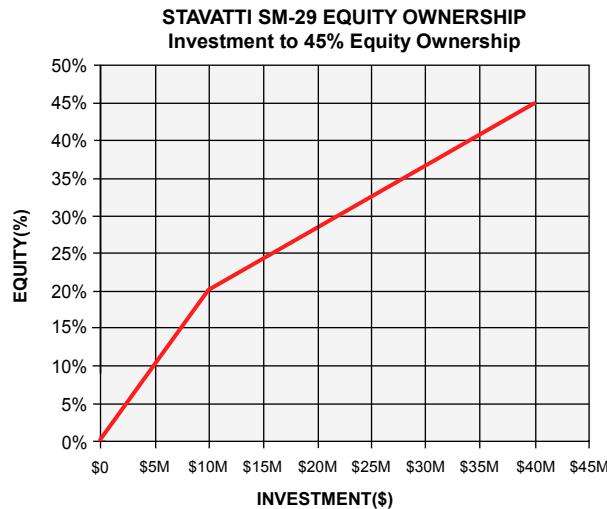
SM-29 SUPER FULCRUM RETURN ON INVESTMENT

\$40 Million Investment = \$12.15 Billion in Revenues = 13.8 x Return

The SM-29 Super Fulcrum will be developed by Stavatti as a comprehensive upgrade to existing MiG-29 Fulcrum Aircraft worldwide. Performed by Stavatti Aerospace Ltd or a new joint-venture aerospace company known as "Stavatti Super Fulcrum Ltd" that will be owned in-part by investor/strategic partners and in-part by Stavatti Aerospace, Stavatti is offering Equity Ownership as well as Percent Royalties to be paid from Project Gross Revenues to provide a Return On Investment (ROI) to project/company investors. ROI projections associated with proposed equity ownership for specific investment amounts are provided. All ROI projections are, non-binding speculative estimates and have not been subject to 3rd party external valuation. Final Equity Ownership and Royalty values will be specified as Negotiated and Agreed-To within a project Funding Agreement.



INVESTMENT	EQUITY	ROYALTY	RETURN (\$)	ROI (Times)	YEAR #	20% Equity Return	45% Equity Return
\$1,000,000	2.00%	0.20%	\$24,680,000	24.68 x	1	\$2,285,185	\$5,141,667
\$5,000,000	10.00%	1.02%	\$123,400,000	24.68 x	2	\$18,281,481	\$41,133,333
\$10,000,000	20.00%	2.03%	\$246,800,000	24.68 x	3	\$41,133,333	\$92,550,000
\$15,000,000	24.17%	2.45%	\$298,216,667	19.88 x	4	\$63,985,185	\$143,966,667
\$20,000,000	28.33%	2.88%	\$349,633,333	17.48 x	5	\$86,837,037	\$195,383,333
\$25,000,000	32.50%	3.30%	\$401,050,000	16.04 x	7	\$132,540,741	\$298,216,667
\$30,000,000	36.67%	3.72%	\$452,466,667	15.08 x	10	\$201,096,296	\$452,466,667
\$35,000,000	40.83%	4.15%	\$503,883,333	14.40 x	12	\$246,800,000	\$555,300,000
\$40,000,000	45.00%	4.57%	\$555,300,000	13.88 x			



SM-29 SUPER FULCRUM BUSINESS CAPITALIZATION STRUCTURE

Class	Category	Investment	Percent Equity	Cumulative Equity	Percent Royalty	Investor Royalty & ROI	ROI Fold
A	1st Round Investors	\$10,000,000	20.0%	15.0%	2.03%	\$246,800,000	24.68 x Investment
B	2nd Round Investors	\$30,000,000	25.0%	45.0%	2.54%	\$308,500,00	10.28 x Investment
A & B	TOTAL	\$40,000,000	45.0%	45.0%	4.57%	\$555,300,000	13.88 x Investment

NOTE: Equity & Royalty will be in/from Stavatti Super Fulcrum Ltd (a to be organized C corporation)

X. RISK FACTORS

AN INVESTMENT IN STAVATTI IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF FINANCIAL RISK. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CONSIDER ALL OF THE RISK FACTORS DESCRIBED. IF YOU INVEST IN STAVATTI, YOU MAY LOSE ALL OF YOUR MONEY AS ASSOCIATED WITH THIS INVESTMENT.

AIRCRAFT MANUFACTURING OPERATIONS

The creation of a new aircraft manufacturer is a highly speculative activity that may be marred by numerous unproductive efforts. The Research, Development, Testing and Evaluation associated with the creation of prototype, state-of-the-art military and civil aircraft entails extreme risk and enormous associated cost and time requirements. Aircraft prototypes may not perform as designed, nor demonstrate the design requirements as specified. Aircraft prototypes may crash or otherwise be destroyed, causing injury or death to its operator and/or bystanders and new aircraft types may be subject to extreme delays, if not inability, to attain FAA type and production certification.

Large levels of funds may be allocated to a prototype development program that results in a nonfunctional aircraft type. In the event a prototype evolves to become a production ready, qualified and certified configuration, the cost associated with the production and/or associated production costs (including assembly wages, product liability insurance, etc.) may preclude the profitable production of any sellable units. In the event an aircraft is ready and able for sale, there exists no guarantee that a significant volume of interested customers exists to purchase the product in the volumes necessary to facilitate the generation of net profits.

The production of an aircraft does not necessarily assure the recovery of the costs expended in developing that aircraft. Due to the highly regulated nature of the aircraft industry, there is no guarantee that a producer will be granted an export license, permanent or temporary, from the U.S. Department of State to export the said product. Furthermore, political action undertaken by governments and government agencies both foreign and domestic may establish an environment that is not conducive to new or continued operations within the aerospace industry. A potential for significant political risk exists with this investment. There is no guarantee that pilots and other customers will be interested in specific products or select to purchase examples of specific products. The aircraft manufacturing industry involves a high degree of risk and a potential for loss.

RESTRICTIONS ON TRANSFERABILITY OF UNITS

No market for the Units of Common Stock, nor for any securities of Stavatti, presently exists or is expected to develop. Units are only suitable for purchase as a long term investment, and a purchaser of Units offered pursuant to this offering must bear the economic risk of the investment for an indefinite period of time. The Units represent shares of private equity stock in Stavatti which may or may not be subject to an Initial Public Offering (IPO) resulting in the public offering and trade of Stavatti stock on a recognized exchange, including, but not limited to the New York Stock Exchange at an indeterminable, future date. Stavatti neither implies, nor makes any indication that Stavatti Units and/or securities will ever be available for public exchange, purchase or transferability. The Units offered are offered as a private placement under Rule 506 of Regulation D of the Securities and Exchange Commission and are subject to restrictions upon sale or other transfer as provided within the Stavatti Shareholders Agreement.

ABSENCE OF IMMEDIATE REVENUE

The SM-29 upgrade is not currently generating sales, revenues or net profits and has not yet entered production. Stavatti will not begin generating revenues until the aircraft project proposed in this Offering enters production and begin generating sales. Stavatti will not begin delivery aircraft until satisfying a 6 to 18 month development and production launch period. Stavatti anticipates \$10 Million to \$40 million in operating losses over the duration of SM-29 development and the subsequent duration of the 12 to 24 month business plan in correspondence to the research, development, testing, evaluation, qualification and any qualification/certification process, along with the marketing, general and administrative and

machinery and equipment expenses associated with aircraft development. Investors must realize that the value associated with operating losses may increase, as may the total program duration due to risks associated with aerospace defense. Investors must realize that they cannot expect a return on their investment for no less than 24 months upon date of original investment and all investment returns, net profits and dividends are reliant upon the completion of the business plan and the introduction of new aircraft to the aircraft marketplace. There can be no assurance that Stavatti will generate military, commercial or general aviation aircraft sales and/or attain levels of fiscal profitability.

POSSIBLE ALTERATIONS IN THE MARKET FOR MILITARY AND CIVIL AIRCRAFT

The global and domestic demand for both military and general aviation aircraft have realized significant variations in recent decades. Traditionally military aircraft maintain line production and active service lives of 20 to 30 years while general aviation aircraft may remain in continuous production for 10 to 60 years. In the course of aircraft production, vast disparities in sales exist such that significant backlogs or complete absence of sales for periods of one year or longer are common occurrences.

In general, military aircraft and general aviation sales suffer widespread fluxuations that render entry into the marketplace an extremely high risk initiative. The profitability of Stavatti is tied directly to market demand for both military and general aviation aircraft and Stavatti's ability to penetrate the market with the aircraft proposed in this offering. Investors must realize that there is no assurance that Stavatti will secure a profitable market position or find success in entering the aircraft marketplace or the aerospace defense marketplace.

COMPETITION, MARKET AND REGULATION

The aerospace defense industry is extremely competitive. Stavatti will be competing with numerous established prime contractors, including Boeing, British Aerospace, Dassault, Lockheed Martin, Northrop Grumman, Saab and United (Sukhoi & MiG), having greater financial resources beyond those of Stavatti.

Stavatti may be involved in intense competition, both at-home and abroad, for production contracts and sales from governments and government user agencies (air forces, naval air arms, etc.). Stavatti may be involved in intense competition, at home and abroad, for sales to the general flying public, particularly from leading competitors including Cessna (Textron), Beechcraft (Textron), Piper, Pilatus, Maule, Cirrus, Lancair, etc. in regard to general aviation. Furthermore, numerous additional competitors, including KAI, have entered the military and general aviation aerospace industries respectively.

Although the market for both military and civil aircraft is clearly defined and growing, continued growth and value of the market cannot be guaranteed. Due to wide variations in market demand on a year by year basis, Stavatti cannot guarantee that a market for any of our military or civil aircraft will exist at the time of product manufacture and introduction.

The aerospace defense industry and business of aircraft manufacture is heavily regulated and subject to intense federal and government requirements, licenses, certifications and qualifications. Stavatti Corporation is a registered Aerospace Defense Prime Contractor maintaining a Class VIII registration as a defense articles manufacturer with the US Department of State-Directorate of Defense Trade Controls. Furthermore, Stavatti maintains the necessary licensing and qualification to serve as an aircraft manufacturer and defense prime contractor. To enter into aircraft production, all Stavatti products must be tested and certified by the Federal Aviation Administration and/or meet Mil-Spec qualifications. Upon entering production, all Stavatti products must maintain rigorous quality control and inspection requirements, necessitating the establishment of a bona fide customer service and post-production, total lifetime product service continuation system and dealer/distributor/factory representative network.

Stavatti will be continuously subject to regulations involving the export of aerospace defense products and military critical technical data. Stavatti will be continually subject to OSHA and EPA compliancy and all other labor, environmental and industrial regulations associated with a manufacturing business and all corporations. Stavatti will be subject to regulations imposed by the Federal Aviation Administration, the United States Department of State, and the Bureau of Alcohol, Tobacco and Firearms. Due to the intense regulation involved in the aerospace defense industry, Stavatti may be subject to extreme delays in pro-

schedule and may, in the circumstance of State Department or DoD intervention, be prevented from exporting specific products to specific customers for specific reasons. Investors must recognize that Stavatti participation and success in the aerospace defense industry is subject to and reliant upon regulatory compliance. Stavatti will adhere to all Federal, State and Local laws at all times.

DEPENDENCE UPON KEY PERSONNEL

The ultimate success of Stavatti is materially dependent upon the services and efforts of its founder, Christopher R. Beskar and additional members of its executive management team. Specifically, Mr. Beskar has served as Program Manager for all Stavatti programs and is responsible for the organization, structure, approach and technological edge of Stavatti. As a developing corporation and expanding business entity, Stavatti has experienced, and expects to experience, a reorganization of executive management and management turnover as the Stavatti executive management team sustains operations. The unavailability and loss of the services of Mr. Beskar, and additional individual members of the executive management team could adversely affect the ultimate success of Stavatti. Stavatti is currently engaged in filling key management offices/positions. Stavatti does not maintain any employment or non-competition agreements with any members of the executive management teams, although industrial security agreements have been established between all members. Stavatti intends to maintain life insurance policies on specific members of its executive management team including the President & CEO, Senior Vice President & Chief Financial Officer and further executives at such time as permitted by Stavatti financing.

MANAGEMENT OF CORPORATE EXPANSION

As Stavatti pursues its business plan and moves toward production civil and military aircraft, there will arise increased demands upon Stavatti executive management, operational and financial resources. Successful growth management will be required to accommodate the near exponential expansion of Stavatti. Stavatti will be required to continually improve its process and management abilities and there can be no assurance that Stavatti will be able to manage the anticipated rate and level of growth effectively. In addition, the development, prototyping, flight testing/qualification/certification and mass production of the proposed aircraft is dependent upon the ability of Stavatti to hire additional qualified personnel and the ability of Stavatti executive management to integrate the said individuals into Stavatti. There exists significant competition for highly skilled employees and there can be no assurance that Stavatti will be successful in attracting, training and retaining such personnel.

MANUFACTURING HISTORY

Production of military and civil aircraft any additional aerospace defense system Stavatti may produce is dependent upon the successful establishment of Stavatti development and production facilities and centers both within the United States (California, Virginia, etc.) and abroad (Serbia, Ukraine, etc.) as well as the selection and hiring of qualified administrative, engineering, marketing, production and support personnel; completion of aircraft design; the prototyping, flight testing and certification/qualification of aircraft; the establishing of production lines and the marketing, distribution, service and support of aircraft.

Factors that may effect the successful completion of such milestones include the inability to establish production centers, the inability to hire qualified personnel, the inability to complete the said aircraft designs, the inability to successfully prototype, test, certify/qualify the said aircraft, the inability to establish aircraft production lines and the inability to successfully market, distribute, service and support the said aircraft. Stavatti has never attempted to manufacture aircraft in significant quantities. The production of prototypes and the transition to the mass production of certified/qualified conformal articles will involve risks and uncertainties that may remain unapparent at this time. There is no assurance that Stavatti will be capable of successfully reacting to unanticipated difficulties.

QUALITY CONTROL AND RISK OF DEFECTS

Stavatti products may encounter unanticipated quality and quality control problems and/or inherent design or production defects. Such defects or quality realization problems may result in recalls and/or the distribution of Stavatti/FAA driven Airworthiness Directives (ADs) of Stavatti products that may subsequently result in Stavatti market appeal. Recalls and ADs will be of great cost to Stavatti and may have a

material effect on Stavatti's brand and trademarks, future financial conditions and business operations. Stavatti intends on maintaining marked, industry leading quality initiatives, including ISO certification, etc. as well as the pursuit and attainment of the Malcolm Baldrige criteria.

CIVIL PRODUCT LIABILITY

Stavatti may be subject to potential product liability claims stemming from product failure-in-use, product quality and/or operator failure. These potential suits, in the absence of adequate insurance coverage, bear adverse material consequences upon Stavatti. Stavatti intends to maintain adequate insurance coverage prior to initiation of either military or general aviation aircraft production and/or distribution of products to customers, however, there can be no assurance that Stavatti will secure adequate liability coverage to address all product liability claims. A large array of liability suits may significantly affect Stavatti's ability to continue production and marketing of specific and/or all aerospace defense products.

Due to the nature of customers associated with the purchase of military aircraft (mainly government user agencies) military aircraft will remain largely unaffected by product liability claims. Although the injuries and deaths associated with general aviation aircraft are extremely limited, general aviation aircraft manufacturers have historically been subject to liability suits of extremely detrimental nature. To limit the product liability risk associated with light aircraft production, Congress passed the General Aviation Revitalization Act in 1994. Although further legislative action is under implementation to assure the future growth of the aerospace industry in respect to the aspect of product liability, Stavatti cannot guarantee that production and marketing of aircraft will not be subject to intense adversity due to product liability claims.

DEPENDENCE UPON SUBCONTRACTORS

Stavatti will rely upon outside prime contractors, vendors and subcontractors for a large array of proprietary and non-proprietary, Military Off-The-Shelf (MOTS) and Commercial Off-The-Shelf (COTS) and new and original, Stavatti design specific components and systems employed in the design and manufacture of aircraft and aerospace defense systems. Design critical components, including powerplants, avionics, flight control and armament systems, landing gear, wheels and breaks, lights, ejection seats, hardware and airframe components including extruded, stamped and certain co-cured composite laminates will be supplied in full or in part and/or produced under license from Stavatti by qualified prime contractors, vendors and subcontractors.

The reliance placed upon components produced and provided by prime contractors, vendors and subcontractors involves a potential for significant risk including long associated lead and delivery times; design, production and manufacturing delays; fluxuations in the quality and price of components. Any significant adverse variation in quality, cost, volume or lead/delivery time in components supplied by prime contractors, vendors and subcontractors, particularly single-source components, could adversely affect Stavatti operations.

Stavatti business depends on maintaining a sufficient supply of various products to meet our customers' demands. We have long-standing relationships with key suppliers but these relationships generally are non-exclusive and could be terminated by either party. If we were to lose a key supplier, or were unable to obtain the same levels of deliveries from these suppliers and were unable to supplement those purchases with products obtained from other suppliers, it could have a material adverse effect on our business. Additionally, we rely on foreign and domestic suppliers and commodity markets to secure raw materials used in many of the products we manufacture. This exposes Stavatti to volatility in the price and availability of raw materials. Supply interruptions could arise from shortages of raw materials, labor disputes or weather conditions affecting suppliers' production, transportation disruptions, or other reasons beyond our control. High demand for certain products may result in Stavatti being unable to meet our customers' demands, which could put us at a competitive disadvantage. Additionally, our key suppliers could also increase the pricing of their products, which would negatively affect our operating results if we were not able to pass these price increases through to our customers. We base our supply management process on an appropriate balancing of the foreseeable risks and the costs of alternative practices. To manage such risks, Stavatti will engage in strategic inventory purchases during the year, negotiate long-term vendor supply agreements and monitor our inventory levels to ensure that we have the appropriate inventory on hand to meet our customers' requirements.

NEED FOR ADDITIONAL FUNDING AND FUNDING RISK

Stavatti expects that the proceeds from this Offering, even if fully subscribed, will not necessarily be sufficient for the company to certify and begin production of the aircraft. Subscribers to this Offering are investing in the First Round financing of the Demonstrator Phase of the aircraft development program. The aircraft development project has three phases of funding including a \$10 Million Demonstrator Phase and a \$30 Million Prototype Phase. Total development program costs are estimated at \$40 Million. Stavatti assumes that an additional \$30 Million or more will need to be raised from equity investment or debt financing sources to certify the aircraft and begin production. The Company's current financing plan has scheduled an additional Class B equity offerings to raise additional capital.

Stavatti is dependent upon obtaining significant amounts of funding from a number of sources, both public and private, to finance its business plan and operations. There is no assurance that Stavatti will obtain the required financing in-full as associated with this Offering or as associated with the 12 to 24 month business plan and associated fundraising costs, in its entirety or that the said financing, if obtained, will be on terms acceptable to all shareholders. Significant equity dilution may be incurred by shareholders through this offering as a result of further equity financing. Future investors may demand significantly improved terms than those granted to present investors. Any absence in adequate funds, undercapitalization or delay in financing can significantly affect the production and sale of aircraft. The Company cannot assure that it will have the necessary funds to complete the development of the aircraft within the proposed budget or at all, in which case the investors are likely to lose all of their investment.

Based upon current estimates, Stavatti believes the proceeds of this offering will be adequate to fund the projected capital requirements for a period of 12 to 24 months. In the event costs are incorrect due to unanticipated problems in increased expenses, increased rate of consumption of available capital resources or further unanticipated events, Stavatti may be required to obtain additional equity, contract or debt financing in excess of the proceeds of this offering.

RELIANCE UPON SKILLED EMPLOYEES

Stavatti required a highly skilled workforce with both experience and industry specific expertise to develop, prototype, produce and support our high technology aerospace defense products that include aircraft and aerospace vehicles. Stavatti's future success will depend largely upon our ability to attract and retain highly skilled technical, operational, administrative and marketing personnel. There is significant competition for such personnel in the aerospace defense industry. Stavatti will ensure to offer competitive compensation and benefits as well as opportunities for continued development, and will continually strive to recruit and train qualified personnel and retain key employees. There can be no assurance, however, that Stavatti will continue to be successful in attracting and retaining the personnel we require to develop new and enhanced products and to continue to grow and operate profitably.

DILUTION

In the event Stavatti elects to extend this offering amount by permitting the sale of additional Units of Stavatti equity for the purpose of increased financing, each investor may suffer a dilution of their interest in Stavatti as negotiated with subsequent investors and the Shareholders of Stavatti.

FEDERAL INCOME TAX CONSEQUENCES

STAVATTI IS TAXED AS A 'C' CORPORATION. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT WITH THEIR OWN TAX ADVISOR WITH RESPECT TO THE FEDERAL INCOME TAX CONSEQUENCES ASSOCIATED WITH THEIR INVESTMENT IN STAVATTI CORPORATION. THE FEDERAL TAX CONSIDERATIONS DEPEND UPON EACH INDIVIDUAL INVESTORS OWN CIRCUMSTANCES AND STAVATTI MAKES NO CLAIM, EITHER IMPLIED OR INTENDED, TO ADDRESS THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THE STAVATTI INVESTMENT FOR ANY AND ALL PROSPECTIVE INVESTORS. ANY OR ALL TAX BENEFITS POTENTIALLY ASSOCIATED WITH INVESTMENT IN STAVATTI CORPORATION MAY BE LOST TO AN INVESTOR DUE TO CIRCUMSTANCES BEYOND THEIR CONTROL OR THE CONTROL OF STAVATTI.

STAVATTI™

SM-29 SUPER FULCRUM



APPENDIX I PROPOSAL TO UKRAINE

Appendix I includes 7 sample pages from the Stavatti SM-29 Super Fulcrum Aircraft Technical Briefing & Proposal For the Ukrainian Air Force as provided to the Ukrainian Air Force in November 2019. The 7 pages included are page numbers 4, 6, 7, 8, 9, 22 and 23. A copy of the complete proposal is available for review upon request.

PROPOSAL SUMMARY

Stavatti Aerospace Ltd. (Stavatti) is pleased to submit this proposal for the upgrade of existing Ukrainian Air Force MiG-29 Fulcrum Multi-Role Fighter (MRF) aircraft to the SM-29E Super Fulcrum configuration. Stavatti hereby proposes the upgrade of 4 initial aircraft over a 12 to 18 month period to be followed by up to an additional 72 aircraft over a 60 month period for a total of up to 76 aircraft over 72 months. The upgrade of the proposed aircraft may consist only of an aircraft upgrade and delivery or a comprehensive solution that includes upgraded aircraft, spares, ground support and handling equipment, external stores, Contractor Logistical Support (CLS) and training.

The SM-29E Super Fulcrum upgrade will result in a broad spectrum of enhancements to dramatically improve Ukrainian Air Force MiG-29s including:

- GEAE F414 EPE Afterburning Turbofans
- Raytheon AN/APG-79 AESA Radar
- Four Channel Digital Fly-By-Wire
- F-16C Style Sidestick and Throttle with HOTAS
- SparrowHawk HUD or LiteHUD
- L3 20 x 8 in Large Area Avionics Display (LAAD)
- New Design External Pylons with LAU-129 MRLs
- Increased Fuel Capacity and External Warload
- Retractable In-Flight Refueling Probe
- Optional Comprehensive Integrated ECM Suite



The proposed upgrade of Ukrainian Air Force MiG-29s to the SM-29E Super Fulcrum configuration includes an initial Lot of 4 aircraft to be optionally followed by an additional 72 aircraft for a total of 76 upgraded aircraft. Delivery of the first 4 aircraft will begin in 2022-2023 with Ukraine receiving the full 76 aircraft within 72 months or by the end of 2027 provided a contract was awarded in the first quarter of 2022. The cost of the first 4 aircraft will be \$90 Million with the cost of the additional 72 aircraft being \$1.62 Billion for a total aircraft upgrade cost of \$1.71 Billion for 76 aircraft. The aircraft may be accompanied by a support package including Full Flight Simulators (FFS), training aircraft spares, ground support equipment, external ordnance and stores and initial Contractor Logistical Support (CLS). Total proposed cost of the 76 aircraft SM-29E fleet with the support package is approximately \$3.328 Billion. 72 of the 76 aircraft will be produced/assembled in Ukraine. The proposed offer is summarized in the following table:

SM-29E SUPER FULCRUM PROPOSAL SUMMARY FOR UKRAINE

The Rough Order Magnitude (ROM) Total Proposal Cost for SM-29E Super Fulcrum aircraft is as summarized:

Upgrade Provider	Stavatti Aerospace Ltd
Aircraft	SM-29E Super Fulcrum
Upgrade Of	MiG-29; MiG-29A/S/SE/SM/M/SMT
Original Manufacturer:	MIG
Aircraft Type	Multi-Role Fighter
Aircraft Powerplant	GEAE F414 Afterburning Turbofan
Aircraft Accommodation	Single Pilot on K-36DM Ejection Seat
Aircraft Unit Upgrade Cost	\$22,500,000
Initial Number of Aircraft Upgraded (Lot 1)	4
Total Cost of Initial Aircraft Upgrade (Lot 1)	\$90,000,000
Total Time to Deliver All Upgraded Aircraft (Lot 1)	12 to 18 Months
Additional Aircraft to be Upgraded (Lot 2-6)	72
Total Cost of Additional Aircraft Upgraded (Lot 2-6)	\$1,620,000,000
Total Time to Deliver Additional Upgraded Aircraft (Lot 2-6)	60 Months
Total Number of Aircraft to be Upgraded (Lots 1-6)	76
Total Cost of Aircraft to be Upgraded (Lots 1-6)	\$1,710,000,000
Total Time to Deliver All Upgraded Aircraft (Lots 1-6)	72 Months

THE SM-29E FOR UKRAINE

The proposed upgrade of Ukrainian Air Force MiG-29s to the SM-29E Super Fulcrum configuration will focus on the initial upgrade of 4 aircraft over a 12 to 18 month period to be followed, upon approval, with the upgrade of an additional 72 aircraft over 60 months for a total of 76 aircraft upgraded and delivered within 72 months. The upgrade will focus upon the modernization of existing single seat MiG-29 Fulcrum A fighter airframes of either flyable or non-flyable condition as provided by the Ukrainian Air Force from both active fighter inventories and from storage and "bone yards" in Ukraine. Two seat tandem MiG-29UB Fulcrum B aircraft may also be upgraded with new powerplants but would require a significant redesign of the forward fuselage/radome to incorporate the APG-79 AESA radar and additional avionics, sensor and EW upgrades. This forward fuselage modification would result in a configuration similar to that of the MiG-29KUB. Estimated cost of a comprehensive upgrade of MiG-29UB aircraft to the two seat SM-29F configuration is approximately \$25 Million.



The MiG-29 aircraft upgrade process will begin when Stavatti receives an Executed Purchase Contract from the Government of Ukraine for the first 4 aircraft. Upon receipt Stavatti will submit an export license application to the State Department-Directorate of Defense Trade Controls (DDTC) to secure appropriate export licenses and approvals. Once export approval is awarded for the proposed upgrade, a final Contract Agreement that includes a detailed final Technical Proposal and Statement of Work (SOW) that has been approved by DDTC will be submitted to the Ukrainian Air Force along with a contract payment schedule. The upgrade of the first 4 aircraft will then begin following Stavatti receipt of the Executed Contract and an Initial Contract Payment from the Ukrainian Government.

The first 4 aircraft to be upgraded will consist of 4 flyable or non-flyable aircraft selected from Ukrainian Air Force inventory/storage and delivered to the United States by air (ferry flight or shipment of disassembled aircraft by contracted Antonov Airlines An-124-100 or An-225) or intermodally by land-sea-land. The first 4 aircraft will be upgraded at a Stavatti facility in the United States. Principal work is expected to be performed in Niagara Falls, NY at the Wheatfield Business Park/Former Bell Aerospace Plant located at the Niagara Falls International Airport (KIAG). Work may also be performed at anticipated Stavatti Air USA facilities in Quincy, IL which is the current home to 4 MiG-29s (two MiG-29 Fulcrum As and two MiG-29UB Fulcrum Bs) that are operated in a Dissimilar Air Combat Training (DACT) and "Red Air" tactical training role. Specific aspects of work including any qualification flight testing to meet DoD/NATO interoperability standards may also be conducted in California including Stavatti facilities in San Bernardino (including anticipated production hangars at the San Bernardino International Airport/KSDB) and at the Air Force Flight Test Center (AFFTC) at Edwards AFB. All work performed will be conducted under strict security and confidentiality and will be held at the equivalent of a US DoD Confidential/Secret standard for the security of the Ukrainian Air Force and Ukraine.

Work will be performed directly by Stavatti and principal Stavatti Industry Team Members including GE Aircraft Engines, Raytheon, Collins Aerospace, BAE Systems, Esterline, L3, etc. with Stavatti serving as the Prime Contractor. To ensure the upgrade program is completed on-time and within budget with zero cost overruns, Stavatti will contract all suppliers and Industry Team Members on the basis of an upgrade of 76 aircraft over 72 months resulting in cost savings through quantity orders and uninterrupted engine, radar, systems and parts production. This will result in greater affordability to ensure Stavatti can provide all upgraded systems at the prices as contracted. Stavatti will work very closely with Industry Team Members to integrate off-the-shelf solutions that are customized for specific SM-29E needs to result in a fully integrated fighter solution. Stavatti will limit the development of new systems or customized systems wherever possible and concentrate upon the selection of affordable, compact, high reliability systems, avionics and EW systems to result in a highly maintainable aircraft. Focused on interoperability, the SM-29E will have avionics that enable full integration into the NATO air defense structure.

The upgrade process will consist of selection and ordering of all high lead time components (powerplants, radar, etc.) to ensure their delivery within 6 to 12 months. Each individual aircraft to be upgraded shall be stripped of paint, fully inspected with critical parts disassembled, cataloged and 3D scanned to result in a digital CAD library of aircraft parts specific to individual airframes. A precise SolidWorks 3D CAD model for each individual aircraft will be created that will correspond directly to a master SolidWorks model of our “baseline SM-29E.” The inspection/review process will be handled on a USAF Depot Level Maintenance level with useful parts being remanufactured and non-useable or obsolete parts being replaced with new Stavatti produced parts. Each individual aircraft will undergo a significant structural overall to ensure that aircraft skins, spars, ribs, stringers, frames, bulkheads and longerons have a minimum service life of 6,000 hours under typical aircraft flight operations with the entire aircraft as delivered protected by a comprehensive Stavatti limited lifetime Warranty.

Major airframe structural members that are replaced will feature new design parts produced from certified titanium, aluminum lithium and advanced composite materials as well as the specific application of limited aluminum honeycomb sandwich and aluminum foam metal sandwich structures. Stavatti will be directly responsible for the engineering design, integration and where applicable, custom software coding for sensors, avionics, EW and flight controls. New parts will be manufactured by Stavatti or under contract to leading certified Industry Team production subcontractors. Stavatti will control all engineering drawings and 3D CAD models. A wide array of new parts, including primary structural components, will be engineered including new design engine nacelles to accommodate the F414 powerplant, new design external stores pylons, new design replacement wing spars, new design cockpit and cockpit interior structure, new design fuel tanks, new design radar and avionics racks and a reconfiguration and repurposing of aircraft internal structure to accommodate increases in fuel volume as well as interior fuselage volume for internal avionics and electronic warfare systems.

Each MiG-29 upgraded will be individually modified to receive the standard upgrade package. This is to address the known inconsistencies associated with original aircraft production. Once the aircraft's airframe is upgraded to meet additional service life and new systems integration requirements, the aircraft will receive the installation of new wiring harnesses and a new MIL-STD-1553B systems architecture. The aircraft will be equipped as necessary with a new digital flight control system, new flight control actuators, new fuel lines, new fuel tanks, a new APU and custom engine nacelles with conformal fuel tanks. Additional conformal fuel tanks may be installed to meet range requirements on specific aircraft. The aircraft will be equipped with a custom in-flight refueling probe as well as the new F414 Enhanced Performance Engine, APG-79 AESA Radar, as well as new customer selected Avionics, Displays and Electronic Warfare Systems. Aircraft will receive corrosion protection and a custom paint scheme prior to flight check and evaluation.



Prior to the upgrade of the initial 4 MiG-29s, Stavatti will identify and select a parcel of land on which to build a dedicated aircraft production facility in Ukraine. This facility will be operated by Stavatti Ukraine and will be responsible for the subsequent upgrade of up to 72 additional MiG-29s as well as the production and support of future Stavatti aircraft including the SM-31, SM-36 and SM-39. This facility will be designed within the first six months of contract award with ground breaking for construction beginning in month seven. It is anticipated that the facility will be established at the Vinnytsia International Airport (UKWW) located in Harvryshivka/Vinnystia Region, Ukraine. Stavatti expects to build a new 61,316 sq m (660,000 sq ft) aircraft manufacturing and assembly plant. This plant will consist of two large manufacturing facilities including a 52,205 sq m (560,000 sq ft) Manufacturing and Assembly Plant and a 9,290 sq m (100,000 sq ft) Completion, Paint and Maintenance Hangar. To enable rapid facility use the Completion,

Paint and Maintenance Hangar may be constructed first to allow the rapid completion of the first SM-29E aircraft in Ukraine while the larger primary facility remains under construction. Stavatti projects that this new facility will open by 2023-2024 to allow the upgrade of 72 additional MiG-29s.

To secure DoD qualification for the SM-29 configuration, Stavatti will invest in the upgrade of a single Stavatti owned MiG-29 Fulcrum A to the SM-29 configuration in 2021-2023. Upgraded in parallel to the upgrade of initial 4 Ukrainian MiG-29s, this MiG-29 is currently in the USA and will be sent to the AFFTC, Edwards AFB upon upgrade completion for flight testing, evaluation and certification in by the end of 2021. Setting the standard for the SM-29E, all subsequent SM-29E conversions will follow the certification standards set forth in the evaluation of this specific aircraft. Following the upgrade of the Stavatti owned MiG-29 to the SM-29E configuration, Stavatti may also convert a MiG-29UB Fulcrum B to the SM-29F standard, resulting in a Stavatti owned, company demonstrator aircraft. Part of the Air USA Dissimilar Air Combat Training (DACT) fleet, these aircraft will be included with the acquisition of Air USA by Stavatti to form Stavatti Air USA. Adding dynamic capability to the DACT fleet, Stavatti will be capable of providing both MiG-29 and SM-29 flight and combat training with these four company owned aircraft.

Stavatti anticipates the completion of the upgrade of the first 4 MiG-29s in 2022-2023. These completed aircraft will be transported from the USA to Stavatti's manufacturing facility in Ukraine for transfer and acceptance by the Ukrainian Air Force complete with Fuel, Warranty and customer selected Helmet Mounted Display System (HMDS). Once the SM-29Es enter Ukrainian Air Force service Stavatti can provide comprehensive maintenance and support of the aircraft with initial conversion training of SM-29E pilots beginning three months before expected aircraft delivery date. With the delivery and acceptance of the 4 SM-29Es, Stavatti will submit a license application for the export of SM-29E aircraft, powerplants, avionics and systems from the Directorate of Defense Trade Controls. Upon approval of the export license, Stavatti can enter into a Contract to upgrade an additional 72 MiG-29s to the SM-29E configuration. Upon initial contract award upgrade of the MiG-29s can begin with aircraft being selected from Ukrainian Air Force inventory (storage or active service airframes) and delivered to the Stavatti production facility in Ukraine. It is expected that all 72 aircraft will be completed in 72 months adhering to a schedule that consists of the production of 8 aircraft per year initially and ramping up to 18 aircraft per year in the final production year. Stavatti expects that up to 125 persons will be directly employed by the SM-29E upgrade program during the peak upgrade rate of 18 aircraft per year. A table summarizing the projected SM-29E delivery and cost schedule is provided:

SM-29E DELIVERY & COST SCHEDULE			
PROGRAM MILESTONE	CALENDAR YEAR	AIRCRAFT DELIVERED	EXTENDED COST
LRIP (Lot 1 Completion)	2022	4	\$90,000,000
FRP (Lot 2 Completion)	2023	8	\$180,000,000
FRP (Lot 3 Completion)	2024	12	\$270,000,000
FRP (Lot 4 Completion)	2025	16	\$360,000,000
FRP (Lot 5 Completion)	2026	18	\$405,000,000
FRP (Lot 6 Completion)	2027	18	\$405,000,000
TOTAL		76	\$1,710,000,000

To provide a more comprehensive understanding of the SM-29E upgrade process, an Upgrade Schedule is provided in the accompanying table. This upgrade schedule concentrates upon major milestones in the MiG-29 to SM-29E upgrade program. Focused on 50 key activities, the schedule provides a summary of specific upgrade steps followed by a description of the time-frame in which these steps may be duplicated to result in the production of the additional aircraft in the time-frames described in the above delivery and cost schedule. A dynamic schedule, many of the milestones may overlap or span a time-frame that is dependent upon external factors including powerplant and radar delivery lead-times as well as delays caused by DDTC approval schedules and even the completion of the Stavatti factory in Ukraine.

STAVATTI SM-29E UPGRADE SCHEDULE

ACTIVITY #	ACTIVITY DESCRIPTION	MONTH #	YEAR
1	Receive Executed Contract/Purchase Order From Ukrainian Air Force	0	2022
2	Submit Export License Application to DDTC	0	2022
3	Receive Export Approval From DDTC	0	2022
4	Submit Final Proposal and Contract Agreement to Ukraine	0	2022
5	Receive Executed Contract and Initial Payment for 4 Aircraft Upgrade	1	2022
6	Stavatti Purchases Expanded Office/Hangar in Ukraine for Initial Operations	1	2022
7	Select and Purchase Land in Ukraine to Build New Aircraft Factory	1	2022
8	Industry Team is Contacted: Orders Placed with GEAE, Raytheon, etc.	1	2022
9	Sensors and Avionics Architecture Designed	1 to 6	2022
10	Design of new Aircraft Factory in Ukraine begins	1 to 6	2022
11	4 MiG-29s are Selected and Shipped to Niagara Falls, NY For Upgrade	1 to 2	2022
12	4 MiG-29s are Prepared, Dissembled with Unique Parts SolidWorks modeled	1 to 2	2022
13	Parallel Upgrade of Stavatti Owned MiG-29 as a Certification Article Begins	1 to 2	2022
14	New Replacement Airframe Structures are Manufactured (Skins, Spars, Frames)	1 to 6	2022
15	New Design Engine Nacelles Are Manufactured for F414 Powerplants	1 to 6	2022
16	New Internal Fuel Tanks and In-Flight Refueling System are Manufactured	1 to 6	2022
17	New External Weapons Pylons with Launchers are Manufactured	1 to 6	2022
18	New Cockpit Interior and Panel is Manufactured and Installed	1 to 6	2022
19	New MIL-STD-1553B Architecture and Wiring Harnesses are Installed	1 to 6	2022
20	New Airframe Structures are Installed	7 to 9	2022
21	New Flight Control Actuators and Flight Control Computers are Installed	7 to 9	2022
22	New Fuel Lines, Fuel Tanks, new APU and Engine Nacelles are Installed	7 to 9	2022
23	New F414 EPE Afterburning Powerplants are installed	9 to 10	2022
24	New APG-79 AESA Radar, Avionics and EW Systems are Installed	9 to 10	2022
25	New Aircraft Weapon Systems and External Pylons are Installed	9 to 10	2022
26	New Cockpit Avionics and Flight Controls Are Installed	9 to 10	2022
27	Ukraine Flight Crews Begin Type Training and Orientation	9 to 12	2022
28	Final Integration of All Aircraft Components	9 to 12	2022
29	Aircraft Powerplant and Systems Ground Test and Verification	11 to 12	2022
30	Aircraft is Painted and Flight Tested	11 to 12	2022
31	Aircraft Receives Flight Check and Evaluation	11 to 12	2022
32	Stavatti SM-29E Begins Certification and Qualification Testing at AFFTC	11	2022
33	First 4 SM-29E Aircraft are Delivered with Fuel, Warranty and HMDS	12 to 13	2022
34	Stavatti Aircraft Factory in Ukraine is Completed and Opens	12 to 18	2023
35	Receive DDTC Approval for Upgrade and Export of 72 Additional Aircraft	11 to 13	2023
36	Receive Executed Contract and Initial Payment for Upgrade of 72 MiG-29s	11 to 13	2023
37	Stavatti Begins Providing Training, Maintenance and Support of SM-29Es	12 to 13	2023
38	8 MiG-29s are Selected and Delivered to Stavatti Plant in Ukraine	12 to 18	2023
39	Stavatti SM-29E Completes Qualification Testing and is Certified	24	2023
40	8 MiG-29s undergo Activities 14-31; 8 Aircraft are Delivered as SM-29Es	24	2023
41	12 MiG-29s are Selected and Delivered to Stavatti Plant in Ukraine	24	2024
42	12 MiG-29s undergo Activities 14-31; 12 Aircraft are Delivered as SM-29Es	36	2024
43	16 MiG-29s are Selected and Delivered to Stavatti Plant in Ukraine	36	2025
44	16 MiG-29s undergo Activities 14-31; 16 Aircraft are Delivered as SM-29Es	48	2025
45	18 MiG-29s are Selected and Delivered to Stavatti Plant in Ukraine	48	2026
46	18 MiG-29s undergo Activities 14-31; 18 Aircraft are Delivered as SM-29Es	60	2026
47	18 MiG-29s are Selected and Delivered to Stavatti Plant in Ukraine	60	2027
48	18 MiG-29s undergo Activities 14-31; 18 Aircraft are Delivered as SM-29Es	60	2027
49	Stavatti Completes the Delivery of 76 SM-29Es to the Ukrainian Air Force	60 to 72	2027
50	Production of Next Generation Fighters (SM-31, SM-36, SM-39) in Ukraine	48 to 72	2028

AESA: Actively Electronically Scanned Array
AFFTC: Air Force Flight Test Center
DDTC: Directorate of Defense Trade Controls

EPE: Enhanced Performance Engine
EW: Electronic Warfare
HMDS: Helmet Mounted Display System



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SM-29E Super Fulcrum COST PROPOSAL

COST PROPOSAL

Stavatti Aerospace Ltd. hereby proposes the upgrade of 76 Ukrainian Air Force MiG-29s to the SM-29E Super Fulcrum configuration. The aircraft will be delivered in an initial Lot of 4 aircraft within 12 to 18 months to be followed by a second Lot of 72 aircraft within 48 months for a total of 76 aircraft delivered over 60 months. Aircraft are delivered with powerplants, sensors, avionics, electronic warfare systems as outlined in this proposal. All Costs are in United States Dollars (\$).

SM-29E PROCUREMENT COST PROPOSAL: 4 AIRCRAFT			
COST ELEMENT	UNIT COST	QUANTITY	EXTENDED COST
SM-29E: Lot of 4 Aircraft	\$22,500,000	4	\$90,000,000
TOTAL		4	\$90,000,000

SM-29E PROCUREMENT COST PROPOSAL: 72 AIRCRAFT			
COST ELEMENT	UNIT COST	QUANTITY	EXTENDED COST
SM-29E: Lot of 72 Aircraft	\$22,500,000	72	\$1,620,000,000
TOTAL		72	\$1,620,000,000

The SM-29E will enter Low Rate Initial Production (LRIP) beginning in 2022 with the delivery of 4 aircraft in 2022. The SM-29E will then enter Full Rate Production (FRP) in 2023 with the delivery of 72 additional aircraft by 2027. The production and delivery schedule associated with this Cost Proposal is provided:

SM-29E DELIVERY & COST SCHEDULE			
PROGRAM MILESTONE	CALENDAR YEAR	AIRCRAFT DELIVERED	EXTENDED COST
LRIP (Lot 1 Completion)	2022	4	\$90,000,000
FRP (Lot 2 Completion)	2023	8	\$180,000,000
FRP (Lot 3 Completion)	2024	12	\$270,000,000
FRP (Lot 4 Completion)	2025	16	\$360,000,000
FRP (Lot 5 Completion)	2026	18	\$405,000,000
FRP (Lot 6 Completion)	2027	18	\$405,000,000
TOTAL		76	\$1,710,000,000



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SM-29E Super Fulcrum COST PROPOSAL

COST PROPOSAL WITH SUPPORT PACKAGE

Stavatti Aerospace Ltd. hereby offers the Ukrainian Air Force 76 SM-29E Super Fulcrum aircraft, 4 Ground Based Training Systems (GTBS) and Aircrew Training Devices (ATDs) and an Initial Contractor Logistical Support (CLS) package for 76 aircraft as a comprehensive solution at the following firm costs:

SM-29E UPGRADE AND SUPPORT COST PROPOSAL			
COST ELEMENT	UNIT COST	QUANTITY	EXTENDED COST
SM-29E Upgrade	\$22,500,000	76	\$1,710,000,000
Initial Ordnance & Stores	\$12,500,000	76	\$950,000,000
Spares & Ground Support	\$5,000,000	76	\$380,000,000
GTBS/FFSs	\$15,000,000	4	\$60,000,000
Contractor Logistical Support	\$2,500,000	76	\$190,000,000
TOTAL COST			\$3,290,000,000

The proposed SM-29E Super Fulcrum Upgrade is available immediately and may be applied to any existing MiG-29 aircraft (including MiG-29, MiG-29A, MiG-29S, MiG-29SE/SM/SMT and MiG-29M Tactical Aircraft) with delivery of upgraded aircraft within 12 to 18 months of contract signature and receipt of initial contract payment. The upgrade program will begin with the conversion of 4 initial aircraft in the first year of upgrade operations. The upgrade process is expected to have the capability to upgrade up to 24 MiG-29 aircraft annually at a rate of 2 per month by 2023. The SM-29E upgrade may be performed at a dedicated Stavatti production facility, including but not limited to, the anticipated Wheatfield Business Park/Former Bell Aerospace Plant in Niagara Falls, NY or at an in-country Stavatti or customer facility. Aircraft Upgrades performed for the Ukrainian Air Force will be initially performed in the USA with subsequent aircraft upgraded at a proposed Stavatti facility in Vinnytsia, Ukraine. The production and delivery time-line associated with this Cost Proposal is provided in the following table:

SM-29E SUPER FULCRUM DELIVERY & COST SCHEDULE			
PROGRAM MILESTONE	CALENDAR YEAR	AIRCRAFT DELIVERED	EXTENDED COST
LRIP (Lot 1 Completion)	2022	4	\$173,157,895
FRP (Lot 2 Completion)	2023	8	\$346,315,789
FRP (Lot 3 Completion)	2024	12	\$519,473,684
FRP (Lot 4 Completion)	2025	16	\$692,631,579
FRP (Lot 5 Completion)	2026	18	\$779,210,526
FRP (Lot 6 Completion)	2027	18	\$779,210,526
TOTAL		76	\$3,290,000,000

STAVATTI™

SM-29 SUPER FULCRUM



APPENDIX II SUBSCRIPTION AGREEMENT

Appendix II provides samples of the Subscription Agreements to Purchase Units of Common Stock in Stavatti Super Fulcrum Ltd as well as to receive Units of Common Stock in Stavatti Aerospace Ltd.



**STAVATTI SUPER FULCRUM LTD
&
STAVATTI AEROSPACE LTD**

ROUND A SUBSCRIPTION AGREEMENT

The undersigned Investor ("Investor") hereby tenders this subscription and applies for the purchase of "Round A" Investment Units of Common Stock with each Unit consisting of 500,000 Shares ("Shares) of Common Stock in Stavatti Super Fulcrum Ltd (the "Company") at an offering price of \$25,000 per Unit with a minimum purchase of One (1) Unit. Each Share of Common Stock is being offered at a price of \$0.05 per Share. Each subscription is also accompanied by a Royalty Interest of 0.0051% per Unit to be paid from Project Gross Revenues to the Shareholder. Each Investor shall also be assigned, at no additional cost, an equity interest of 0.02% in Stavatti Aerospace Ltd ("Stavatti") per Unit Subscription, equal to 187,500 Shares of Stavatti Common Stock at an equivalent offering price of \$0.133 per Share.

ROUND A SUBSCRIPTION TENDER						
Round	Units Purchased	Investment (\$ USD)	% Equity in the Company	% Royalty from the Company	% Equity in Stavatti	Shares of Stavatti Stock
A						
A	400 Units Authorized	\$25,000 Per Unit (\$10,000,000 Total)	0.05% Per Unit (20.00% Total)	0.0051% Per Unit (2.03% Total)	0.019% Per Unit (7.50% Total)	187,500 Per Unit (75,000,000 Total)

The undersigned submits this Subscription Agreement in accordance with and subject to the terms and conditions described within this Subscription Agreement and within the Private Offering Memorandum dated 1 January 2022. The undersigned accepts that Stavatti may reject any Subscription Agreement for Units for any reason. Upon execution of this Subscription Agreement, the undersigned acknowledges that Stavatti is relying upon the accuracy and completeness of the representations contained herein in complying with its obligations under applicable securities laws. This subscription is further made upon the terms and conditions listed below:

1. Subscription

To induce Stavatti to accept this Subscription, the undersigned is returning this Agreement, together with funds paid in the form of a check, electronic/wire transfer or money order representing the purchase price to be paid under this subscription. This Agreement shall become binding only if Stavatti receives and accepts the funds paid in full by the Undersigned.

2. Acceptance of Subscription

It is understood and agreed that the Company shall have the sole right to accept or reject this Agreement for any reason and shall have no obligation to accept Agreements in the order received.

3. Payment of Contributions

For each Share subscribed for by me I agree to pay to the Company the sum of \$0.05 per Share payable to the Company along with my Subscription. The offering will continue until all Shares are sold or Until 180 days if the Company so elects.

4. Representations & Warranties

To induce the acceptance of this Agreement, the undersigned hereby warrants and represents that:

A. I have adequate personal resources, and I have no need for liquidity of this investment. It is understood that all documents, records and books pertaining to this investment have been made available to me and to my attorney, accountant and/or other offering representative and that the books and records of the issuer will be available upon reasonable business hours at its principal place of business;

B. I am at least 21 years old and a citizen of the Nation of:_____

C. I am able to bear the economic risk of this investment; to hold the Shares for at least one (1) year, and, if necessary, for an indefinite period of time; and presently to afford a complete loss of this investment;

D. I am purchasing the Shares for investment purposes and not for resale or other distribution to third parties. I have no present intention to sell or otherwise dispose of this investment.

E. I understand that I am purchasing this interest in without being furnished any offering literature or prospectus other than an SM-29 Super Fulcrum Offering Memorandum or Business Plan, and that this transaction has not been scrutinized by the US Securities and Exchange Commission (SEC) as a full registration because of the issuer's representations of the limited number and type of offerings solicited and the private aspects of the offering. I represent that I qualify as an "Accredited Investor" and I have adequate means of providing for my current needs and that I have no need for liquidity of this investment.

5. Transferability

This Agreement may not be transferred or assigned.

6. Effectivity and Revocation

This Agreement shall be effective upon the transfer to and receipt of funds from the Investor. Once effective, this Agreement may not be canceled, terminated, or revoked provided it is executed by the undersigned Investor; and shall survive the death or incapacity of the undersigned and shall be binding on all of their respective successors, assigns, legal representatives, heirs, legaltees and distributees.

7. Notices

All notices or other communications shall be in writing and shall be delivered by e-mail, mail or by hand to the undersigned at the address set forth after his name and signature below, and to the Company at the following address: 9400 Porter Road, Niagara Falls, NY 14304 USA.

MISCELLANEOUS

(a) Severability: It is the intention of the parties that this Agreement be in compliance with all relevant state and federal statutes and regulations governing the relationship between the parties at the time of execution. If any provision of this Agreement is subsequently rendered invalid or unenforceable by any local, state or federal statute or regulation, or declared null and void by any court of competent jurisdiction, the remaining provisions of this Agreement will remain in full force and effect.

(b) No-Waiver: The failure of any party to insist upon strict compliance with any of the terms of this Agreement shall not be deemed a waiver of the right to insist on strict compliance with such terms on future occasions.

STAVATTI™

PROPRIETARY

SM-29

(c) Governing Law: Venue. This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of New York, and in the event any legal action is taken in connection with this Agreement, the proper venue for said action shall be in the courts located in New York.

(d) Draftsmanship: The fact that one of the parties may have drafted or structured any provision of this Agreement or any document attached as an exhibit or schedule hereto shall not be considered in construing the particular provision or document either in favor of or against such party.

(e) Counterparts: This Agreement may be executed in any one or more counterparts (including by electronic/facsimile transmission), each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument.

(f) Amendments: This Agreement may only be modified or amended by written agreement signed by all parties hereto.

(g) Entire Agreement: This Agreement, including any attachments hereto, contain the entire agreement of the parties hereto and supersedes all prior oral or written negotiations, representations, agreements, understandings, proposals, or undertakings with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives and to be effective as of the Effective Date.

STAVATTI AEROSPACE LTD**INVESTOR**

(SIGNATURE)

(SIGNATURE)

(PRINT NAME)

(PRINT NAME)

(PRINT TITLE)

(PRINT TITLE)

(PHONE)

(PHONE)

(EMAIL)

(EMAIL)

(EFFECTIVE DATE)

(EFFECTIVE DATE)

STAVATTI AEROSPACE LTD

NIAGARA FALLS
9400 Porter Road
Niagara Falls, NY
14304 USA

MAIL STOP
P.O. Box 3010
Niagara Falls, NY
14304 USA

WYOMING
30 N Gould St, Ste 2247
Sheridan, WY
82801 USA

MN TEL: 651-238-5369
NY TEL: 716-205-8396
email: aerospace@stavatti.com
<http://www.stavatti.com>

UKRAINE
Kyivs'ka Street 4, Suite 217
Vinnytsia, 21000
Ukraine

MINNESOTA
P.O. Box 211258
Eagan, MN
55121 USA

BUFFALO
4455 Genesee Street
Buffalo, NY
14225 USA



**STAVATTI SUPER FULCRUM LTD
&
STAVATTI AEROSPACE LTD**

ROUND B SUBSCRIPTION AGREEMENT

The undersigned Investor ("Investor") hereby tenders this subscription and applies for the purchase of "Round B" Investment Units of Common Stock with each Unit consisting of 833,333 Shares ("Shares) of Common Stock in Stavatti Super Fulcrum Ltd (the "Company") at an offering price of \$100,000 per Unit with a minimum purchase of One (1) Unit. Each Share of Common Stock is being offered at a price of \$0.12 per Share. Each subscription is also accompanied by a Royalty Interest of 0.01% per Unit to be paid from Project Gross Revenues to the Shareholder. Each Investor shall also be assigned, at no additional cost, an equity interest of 0.05% in Stavatti Aerospace Ltd ("Stavatti") per Unit Subscription, equal to 533,333 Shares of Stavatti Common Stock at an equivalent offering price of \$0.188 per Share.

ROUND B SUBSCRIPTION TENDER						
Round	Units Purchased	Investment (\$ USD)	% Equity in the Company	% Royalty from the Company	% Equity in Stavatti	Shares of Stavatti Stock
A						
A	300 Units Authorized	\$100,000 Per Unit (\$30,000,000 Total)	0.08% Per Unit (25.0% Total)	0.008% Per Unit (2.54% Total)	0.05% Per Unit (16.00% Total)	533,333 Per Unit (160,000,000 Total)

The undersigned submits this Subscription Agreement in accordance with and subject to the terms and conditions described within this Subscription Agreement and within the Private Offering Memorandum dated 1 January 2022. The undersigned accepts that Stavatti may reject any Subscription Agreement for Units for any reason. Upon execution of this Subscription Agreement, the undersigned acknowledges that Stavatti is relying upon the accuracy and completeness of the representations contained herein in complying with its obligations under applicable securities laws. This subscription is further made upon the terms and conditions listed below:

1. Subscription

To induce Stavatti to accept this Subscription, the undersigned is returning this Agreement, together with funds paid in the form of a check, electronic/wire transfer or money order representing the purchase price to be paid under this subscription. This Agreement shall become binding only if Stavatti receives and accepts the funds paid in full by the Undersigned.

2. Acceptance of Subscription

It is understood and agreed that the Company shall have the sole right to accept or reject this Agreement for any reason and shall have no obligation to accept Agreements in the order received.

3. Payment of Contributions

For each Share subscribed for by me I agree to pay to the Company the sum of \$0.12 per Share payable to the Company along with my Subscription. The offering will continue until all Shares are sold or Until 180 days if the Company so elects.

4. Representations & Warranties

To induce the acceptance of this Agreement, the undersigned hereby warrants and represents that:

A. I have adequate personal resources, and I have no need for liquidity of this investment. It is understood that all documents, records and books pertaining to this investment have been made available to me and to my attorney, accountant and/or other offering representative and that the books and records of the issuer will be available upon reasonable business hours at its principal place of business;

B. I am at least 21 years old and a citizen of the Nation of:_____

C. I am able to bear the economic risk of this investment; to hold the Shares for at least one (1) year, and, if necessary, for an indefinite period of time; and presently to afford a complete loss of this investment;

D. I am purchasing the Shares for investment purposes and not for resale or other distribution to third parties. I have no present intention to sell or otherwise dispose of this investment.

E. I understand that I am purchasing this interest in without being furnished any offering literature or prospectus other than an SM-29 Super Fulcrum Offering Memorandum or Business Plan, and that this transaction has not been scrutinized by the US Securities and Exchange Commission (SEC) as a full registration because of the issuer's representations of the limited number and type of offerings solicited and the private aspects of the offering. I represent that I qualify as an "Accredited Investor" and I have adequate means of providing for my current needs and that I have no need for liquidity of this investment.

5. Transferability

This Agreement may not be transferred or assigned.

6. Effectivity and Revocation

This Agreement shall be effective upon the transfer to and receipt of funds from the Investor. Once effective, this Agreement may not be canceled, terminated, or revoked provided it is executed by the undersigned Investor; and shall survive the death or incapacity of the undersigned and shall be binding on all of their respective successors, assigns, legal representatives, heirs, legaltees and distributees.

7. Notices

All notices or other communications shall be in writing and shall be delivered by e-mail, mail or by hand to the undersigned at the address set forth after his name and signature below, and to the Company at the following address: 9400 Porter Road, Niagara Falls, NY 14304 USA.

MISCELLANEOUS

(a) Severability: It is the intention of the parties that this Agreement be in compliance with all relevant state and federal statutes and regulations governing the relationship between the parties at the time of execution. If any provision of this Agreement is subsequently rendered invalid or unenforceable by any local, state or federal statute or regulation, or declared null and void by any court of competent jurisdiction, the remaining provisions of this Agreement will remain in full force and effect.

(b) No-Waiver: The failure of any party to insist upon strict compliance with any of the terms of this Agreement shall not be deemed a waiver of the right to insist on strict compliance with such terms on future occasions.

STAVATTI™

PROPRIETARY

SM-29

(c) Governing Law: Venue. This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of New York, and in the event any legal action is taken in connection with this Agreement, the proper venue for said action shall be in the courts located in New York.

(d) Draftsmanship: The fact that one of the parties may have drafted or structured any provision of this Agreement or any document attached as an exhibit or schedule hereto shall not be considered in construing the particular provision or document either in favor of or against such party.

(e) Counterparts: This Agreement may be executed in any one or more counterparts (including by electronic/facsimile transmission), each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument.

(f) Amendments: This Agreement may only be modified or amended by written agreement signed by all parties hereto.

(g) Entire Agreement: This Agreement, including any attachments hereto, contain the entire agreement of the parties hereto and supersedes all prior oral or written negotiations, representations, agreements, understandings, proposals, or undertakings with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives and to be effective as of the Effective Date.

STAVATTI AEROSPACE LTD**INVESTOR**

(SIGNATURE)

(SIGNATURE)

(PRINT NAME)

(PRINT NAME)

(PRINT TITLE)

(PRINT TITLE)

(PHONE)

(PHONE)

(EMAIL)

(EMAIL)

(EFFECTIVE DATE)

(EFFECTIVE DATE)

STAVATTI AEROSPACE LTD

NIAGARA FALLS
9400 Porter Road
Niagara Falls, NY
14304 USA

MAIL STOP
P.O. Box 3010
Niagara Falls, NY
14304 USA

WYOMING
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Sheridan, WY
82801 USA

MN TEL: 651-238-5369
NY TEL: 716-205-8396
email: aerospace@stavatti.com
<http://www.stavatti.com>

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Vinnytsia, 21000
Ukraine

MINNESOTA
P.O. Box 211258
Eagan, MN
55121 USA

BUFFALO
4455 Genesee Street
Buffalo, NY
14225 USA

EXHIBIT C



On Sat, Jun 4, 2022 at 10:06 PM Brian Colvin <brian.colvin@stavatti.com> wrote:

Dear Valentino

I hope this email finds you well. Since we are late returning your principal as planned, I wanted to write to you and provide you with our progress report. I've attached a letter which provides an update of where we are, and where we're going, and how soon (our timeline to repay you).

Please review it and let me know if you have any questions, or comments. I look forward to hearing from you soon.

Kindest regards,

Brian D. Colvin

PRESIDENT of STAVATTI AEROSPACE, LTD.

CHAIRMAN & CEO of STAVATTI UAVS, LTD.

TEL: 424-501-5646

TEL: 307-620-7261

email: Brian.Colvin@stavatti.com

<http://www.stavatti.com>

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Ehara Law PLLC Mail : InvId: Fw: Project Update

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2 attachments

STAVATTI BofA March 2022.JPG

96K

BANK OF AMERICA		Your checking account	
KANSAS CITY MEMBER FDIC Account ID: 1010-1010-1010 April 1, 2004 to April 30, 2004			
Deposits and other credits			
Interest Income			
345.00	ABOVE TRANSFERRED FEE 345.00		Interest
Total deposits and other credits			\$300,040.00

STAVATTI BofA April 2022.JPG

EXHIBIT D



On Thu, Jun 30, 2022 at 5:22 PM Brian Colvin <brian.colvin@stavatti.com> wrote:

Dear Vallentino

I hope this message finds you well. We are one day away from the deadline in which we last discussed having your principal payment returned to you (and your partners). We are not going to be able to meet that deadline. In light of that, I/we wanted to share the steps to correct this matter. DelMorgan & Co. (our investment banking firm raising \$35M for us) has put the package out to the market of their investor starting Monday (large firms), Tuesday (hi net worth groups, and individuals)..

DelMorgan is raising us \$35M (first round) and \$130M (second round). They are experts in the industry, and have raised over \$1 Billion in capital for companies like STAVATTI AEROSPACE, LTD. I have attached the 1 Page - Teezer that went out to the market on Monday and Tuesday. We are confident that there will be capital coming in soon from this. As soon as it comes in, we will be paying you back your principal, then starting on our project so you will have your profit participation.

Please review the attachment, and let me know if you have further questions. I can also share the full project pitch deck which echoes the pitch deck that was shared with you prior. We are in constant contact with the US Treasury (Foreign Military Finance), US Department of State, and US Department of Defense to get our current orders approved. Once our orders are approved, we will have capital to take care of this payment as well.

We are doing everything possible to reimburse you as quickly as possible. I will keep you posted on our progress. Thank you for your patients, and understanding.

Kindest regards,

Brian D. Colvin

PRESIDENT of STAVATTI AEROSPACE, LTD.

CHAIRMAN & CEO of STAVATTI UAVS, LTD.

TEL: 424-501-5646

TEL: 307-620-7261

email: Brian.Colvin@stavatti.com

<http://www.stavatti.com>

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EXHIBIT E



June 2022

\$35MM Capital Raise



Stavatti is an innovative aircraft manufacturing company seeking to raise \$35MM to acquire and upgrade 4 MiG-29s and purchase the former Bell Aerospace plant

Company Overview

- Stavatti is a state-of-the-art aircraft manufacturer focused on the design and production of new/existing military, commercial and general aviation aircraft
- Founded in 1994, Stavatti is currently headquartered at Stavatti Niagara Aeronautical Prototype Production Engineering & Research (SNAPPER) in Niagara Falls, NY
- Stavatti expects to begin upgrading 10 MiG-29s to Stavatti-designed SM-29 Super Fulcrum aircraft in 2023, scaling to 50 aircraft upgrades by 2026
- Starting in 2026, Stavatti expects to begin sales of its new SM-28 and SM-31 Stavatti-designed fighter jets

MiG-29 Upgrade Program

- The MiG-29 is the world's 5th most popular fighter jet and is in use with over 20 NATO and other U.S.-allied countries today
- Currently, MiG-29s face part shortages due to NATO members and other U.S.-allied countries being unable to source parts from Russia
- Additionally, technology obsolescence issues have made the MiG-29 unable to compete with alternative fighter jets
- To address these issues, Stavatti designed the SM-29 Super Fulcrum, an upgrade program for existing MiG-29s, improving their operational capabilities and effectiveness
- More than 700 MiG-29s remain in allied services globally, and Stavatti expects to upgrade more than 500 over the next decade

Use of Proceeds



- \$11MM: Acquisition of 4 MiG-29 aircraft from Air USA, including 2 MiG-29UBs
- \$10MM: Upgrade of MiG-29s purchased to serve as demo aircraft; expected to result in future contracts
- \$14MM: Acquisition of Bell Aerospace Plant to expand manufacturing capability

Future Opportunities and Growth

- Stavatti is currently developing its SM-28 Machete, a next-generation, heavily armored single-engine attack aircraft
- The SM-28 is desperately needed to replace the aging A-10 fighter jet and other subsonic close air support aircrafts – the SM-28 is projected to replace 1,500 of these aircraft currently in use
- Stavatti is also currently developing its SM-31 Stiletto, an advanced 5th generation supersonic trainer and light jet fighter

Key Investment Highlights

- Experienced Team with Design Expertise
- Exceptional Pentagon and Corporate Aerospace Relationships
- Knowledge of Government Contract Process
- Mission-Critical Upgrade in Current Environment
- Future Projects and Growth
- Lean Development Cycle
- Advanced Engineering and Design Capabilities

Financial Summary



Rob Delgado
Sr. Managing Director
rd@delmorganco.com
(310) 319-2000

Neil Morganbesser
Sr. Managing Director
nm@delmorganco.com
(310) 319-2000

Syed Kazmi
Managing Director
smk@delmorganco.com
(310) 319-2000

Justin Ryan
Associate
jr@delmorganco.com
(310) 935-3824

Sawan Bhandari
Analyst
sgb@delmorganco.com
(310) 319-2000

DelMorgan & Co., LLC, 100 Wilshire Blvd, Suite 750, Santa Monica, CA 90401

The highly confidential information contained herein has been prepared solely for information purposes on behalf of Stavatti Aerospace, Inc. ("Stavatti Aerospace" or the "Company"). The recipient agrees to be responsible for any unauthorized disclosure of the information contained herein by it or its advisors or representatives. Under no circumstances should any of the Company's management, employees, principals, customers or suppliers be contacted in relation to this possible transaction. No representation, warranty or undertaking, expressed or implied, is or will be made, and no responsibility or liability will be accepted, by DelMorgan & Co., LLC, Globalist Capital, LLC or the Company, or any of their respective affiliates, associates, directors, officers, employees, agents, advisors or shareholders, as to, or in relation to, the accuracy or completeness of the information contained herein, or any other information, errors therein or omissions therefrom. Projections are based on Company estimates as of June 2022. DelMorgan & Co. and Globalist Capital have not independently verified any of such information and assume no responsibility for its accuracy or completeness.

Securities offered through Globalist Capital, LLC, a registered broker-dealer. Member of SIPC.

EXHIBIT F



From: rudy superiorinc.us <rudy@superiorinc.us>

Sent: Thursday, June 30, 2022 4:04 PM

To: Valentino D <valentino101@msn.com>

Subject: Stavatti update

Hello Valentino,

I have spoken to Brian regarding the status of the Stavatti Loan.

Del Morgan says it has received two brokerage firm response 17 million each
I believe the funding will complete next week

I am including the teaser that was distributed Monday

Del Morgan will not normally give a firm date but I believe we are very close now.

I have asked Stavatti to email you an update you will probably get today.

I will try to call you now

Thank you,

Rudy

 **Stavatti Teaser 6.24.22.pdf**
338K

EXHIBIT G



From: Brian Colvin <brian.colvin@stavatti.com>
Sent: Friday, July 1, 2022 8:10 PM
To: Vallentino Demitriov <Valentino101@msn.com>; Rudy Chacon <rudy@superiorinc.us>
Subject: Re: Project Update

Vallentino

I understand that you wanted to see the deposit of the capital invested with us. We made two. Please see the attached deposit records from our statements. .

Please let e know if you have any questions; Have a safe 4th of July.

Kindest regards,

Brian D. Colvin

PRESIDENT of STAVATTI AEROSPACE, LTD.

CHAIRMAN & CEO of STAVATTI UAVS, LTD.

TEL: 424-501-5646

TEL: 307-620-7261
email: Brian.Colvin@stavatti.com
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EXHIBIT H





STAVATTI AEROSPACE LTD | Account #

| April 1, 2022 to April 30, 2022

Your checking account**Deposits and other credits**

Date	Description	Amount
04/01/22		
04/20/22	Counter Credit	100,000.00
Total deposits and other credits		\$

EXHIBIT I





STAVATTI AEROSPACE LTD | Account #

| March 1, 2022 to March 31, 2022

Deposits and other credits

Date	Description	Amount
03/01/22	Counter Credit	912,500.00
03/01/22		
03/01/22		
03/01/22		
03/11/22		
03/16/22		
03/18/22		
Total deposits and other credits		\$